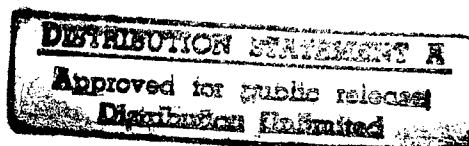




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# ***JPRS Report***

# **China**



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# China

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## National Affairs, Policy

### Wu Jinglian Discusses Mission Under New Reforms

92CE0526A Chongqing GAIGE [REFORM] in Chinese  
No 3, 20 May 92 pp 36-41

[Article by Wu Jinglian (0702 2417 8834): "The Economist's Mission Under the New Reforms"]

[Text] It is most appropriate that the CPC Central Committee has decided to take this advantageous opportunity to accelerate the pace of reform and deregulation. In doing so it is riding the wave of historical development and conforming to the wishes of the people. A new tide of reform and deregulation is now arriving. All of us in the field of economics must strive to do our parts to promote this initiative, which will affect our nation's future and destiny.

#### I. Raise the Level of Consciousness and Advance Political Awareness of the Program

Since the Third Plenary Session of the 11th CPC Central Committee, the Chinese people have achieved impressive results and forged a comprehensive program in their illustrious historical effort to build a Chinese brand of socialism. But they have not always had smooth sailing in implementing this program or defining the theories behind it. Looking back, it seems they have had to overcome assorted interference and obstacles every step of the way. This interference has come from both the "left" and the "right." As it says in the 13th National Party Congress political report, "Because 'leftist' habits are deep seated, and because obstacles to reform and deregulation arise primarily from these habits, generally speaking, conquering this rigid stagnationism will be our primary mission for a long time to come." Interference from the "left" is manifested mostly in tenacious attachment to doctrines that have already proven obsolete in practice, resistance to innovation in Marxist theory, and opposition to basic changes in rigid traditional systems.

Engels once correctly pointed out that "Marx' overall world view is not a creed, but a method. It provides not a ready-made dogma, but a starting point for further research and a method for applying that research." Because some people have not grasped the fact that this is the quintessential point of Marxism, or perhaps because some other factor is at play, it is natural that they have been unable to understand the new socialist ideas and consciousness that have grown out of our experience with reform and deregulation, and have held back somewhat or even maintained an attitude of opposition. At all times we should permit free and conscientious discussion of the theoretical and policy issues concerned, rather than simply adopting brutal methods to resolve the question. The problem is that some people have used the power at their disposal to puff themselves up and intimidate others, suppressing differing opinions and forcing the advancement of theoretical viewpoints and policy positions that are in direct opposition to the

Party's reformist, deregulationist line. Since the Third Plenary Session of the 11th CPC Central Committee there have already been several resurgences of this kind of ideological rigidity. Each time this has occurred it has halted reform or even reversed reforms in some areas.

Recently, it has been characteristic of this rigid, stagnationist ideology to direct its criticism toward the theories and policies that support the development of socialist commercial production. Some theorists say that capitalist economics led us by the nose into the reforms carried out between the Third Plenary Session of the 12th Central Committee and the Fourth Plenary Session of the 13th Central Committee, making a fetish of market forces and leading us into massive losses. Some members of the press have attacked essays that expound the reformist, deregulationist line and outline practical measures for implementing it. Whenever anything unusual crops up in the process of reform, all they can say is "We want to know—Is this 'socialism' or is it 'capitalism?'" And we dare not adopt anything used in a capitalist economy (even if it is something practical, such as bonded areas) or they will say "we are dropping socialism in favor of the capitalist road." For whatever previous period they are focusing on, they accuse "some people" of avowing that "there is no need to ask of the reform measures 'Is it socialism, or is it capitalism,'" and "actually guiding reform and deregulation down the evil path of capitalism!"

We know that one viewpoint regarded as a cardinal principle was long popular in the international communist movement: That a commercial economy is incompatible with socialist public ownership of the means of production, and any enhancement of market forces signifies growth in the power of the bourgeoisie. It is only in retrospect that more and more people have come to understand that a centralized, planned economy—a resource allocation method that rejects the relationship between commodities and prices, as well as the markets regulatory role—is fundamentally flawed and cannot function very efficiently. In order for a socialist economy to succeed in peaceful economic competition, the centralized planning system founded on the so-called "commodity economy" must be overhauled. However, constrained by the prejudice that the commodity/market relationship is an alien force at odds with socialism, reform in many socialist nations has consisted merely of slapping certain market mechanisms onto part of the original framework of a command economy in order to enhance material incentives instituted for planning purposes. Because they have so far been unable to effect a fundamental transformation in their economic systems, they have also been unable to eliminate the inefficiencies of the old system. After the "gang of four" was smashed, under the guidance of a "practical and realistic" ideology, Chinese Marxists broke free of this entrenched, customary way of thinking. In 1984 the Resolution on Economic Restructuring [hereafter called the Resolution] put forth at the Third Plenary Session of the 12th CPC Central Committee clearly stated that "We must

break free from the traditional view that a planned economy and a commodity economy are at odds with each other. We should clearly recognize that a socialist planned economy must consciously depend upon and make use of the law of value; it must be a planned commodity economy based on public ownership of the means of production." This essentially negates the mistaken premise of traditional socialist theory that regarded the relationship between commodities and commodity prices as an alien force, and instead establishes a basic choice of socialist economic systems. It is precisely this fundamental change that has finally opened up a new world for China's socialist enterprises. Consequently, just as Comrade Deng Xiaoping has said, the CPC Central Committee's Resolution "is an historic document . . . that explains what socialism is." As everyone knows, a commodity economy with a certain degree of socialism must be a market economy. Thus, in 1990 Comrade Deng Xiaoping said further that "A planned economy is not equivalent to socialism: Capitalism involves planning as well; and a market economy is not equivalent to capitalism: Socialism involves markets as well." Socialism can and must be built upon a commodity (market) economic base. This, without a doubt, is a development of worldwide historic significance for Marxist political economy and socialist theory. I believe that the most important component of the Chinese style of socialism is precisely this.

Perhaps it is the nature of the CPC's thorough reconceptualization of socialist theory on commodity economies that makes some people sure that they can never accept it. Between 1982 and 1983 some theorists launched a critique of "commodity economic theory" and "planned commodity economic theory," asserting that, at most, a socialist economy could only be "a planned economy wherein commodity production and exchange are preserved," and could under no circumstances become a commodity economy. The Third Plenary Session of the 12th CPC Central Committee contradicted them by calling for a socialist commodity economy. From 1990 to 1991 the theorists continued to harp on same old chord of opposition between planned and commodity economies, merely changing the word "commodity" to "market." They took great pains to publicize their position that "a market economy is equivalent to capitalism." They asserted categorically that "choosing the market is tantamount to choosing capitalism," and that "marketization is the primary component of bourgeois liberalization." They called the use—in the process of reform and deregulation—of current practices suited to the demands of large-scale socialist production "pursuit of the capitalist road in reform." And they tried hard to cancel or supplant the goals of reform, such as "the establishment of a planned commodity economy," and "the development of a socialist commodity economy."

Because the theory of a socialist commodity economics is the basis for China's reform and deregulation policies, criticism targeting this theory and its associated policies and actions could not help but produce ideological

confusion in cadres and among the masses, leaving them at a loss as to what to do. Given this situation, reform and deregulation cannot proceed smoothly without major efforts to clear up the confusion, straighten out people's thinking, and correct the paths we are taking. In order to greet the arrival of this new tide of reform and deregulation, economists are duty-bound to make the most of the lessons of history, study and develop socialist theory, and help cadres and the masses differentiate clearly the right road from the wrong one.

## **II. Help Cadres, Especially Leading Cadres, Grasp the Essence of Reform, and Raise Consciousness About Implementing the Party Line and Policies**

Our understanding of the essence and components of reform is gradually broadening.

After experiencing several decades of tortuous development in the socialist economy, people began to feel that the traditional central economic planning system was seriously flawed and in need of reform. But at the time reforms were initiated we had only a superficial, surface understanding of the flaws in the traditional system. We felt only that under that system power was overly concentrated, hampering initiative in localities, enterprises, and the laboring masses and dampening their enthusiasm. What we did not understand was that high degree of centralization in the power structure is an essential feature where administrative means are used to allocate resources (a command economy), and that essentially, reform in a socialist economy can only mean changing the method of resource allocation from traditional centralized economic planning to commodity (market) economics. Only changing our principles of organization and operation to orient them toward this goal is worthy of the name "reform." Consequently, in accordance with the Party Central Committee's stated goal of reform—a socialist commodity economy—the Resolution of the Third Plenary Session of the 12th CPC Central Committee made the following two major aspects of the market system the main focus of China's economic reforms: Enterprise reform is the central link in economic reform; and price reform is the key to successful overall reform. Based on this fundamental ideology, in its "CPC Central Committee Suggestions for Formulating a Seventh Five-Year Plan", the 1985 Conference of Delegates to the National Party Congress pointed out that the new socialist economic system encompasses three interconnected areas: independent, autonomous enterprises who hold sole responsibility for profits and losses; a competitive market setup; and a macroeconomic regulation and control system employing primarily indirect means (such as market intermediaries). The 13th National Party Congress in 1987 further elucidated the interconnections between the above three areas: "The new mechanism of economic operation should generally be as follows: 'The state regulates the market, and the market guides enterprises.' The state should use economic and legal means to regulate the market supply and demand relationship, creating a suitable economic and social environment and thereby guiding enterprises

to make the correct business decisions." Successive Central Committee resolutions since that time have all grown out of this fundamental ideology. Only if we obtain a firm grasp of this fundamental ideology can we address the situation as a whole and make everything fall neatly into place. Otherwise, all the individual reform measures adopted as expedient solutions to treat specific symptoms will just accumulate in a hodge-podge fashion, forming no coherent commodity economic system. Naturally such a system can never bring about the expected results.

It is even more important to draw attention to the fact that some people have employed "leftist" ideology to explicate the party's reform slogans, in the process altering them beyond recognition. For example, some articles have asserted that the issue of "whether we need reform" was decided long ago, and there exists in China no "leftist" ideology opposed to reform. Taking this further, some have written articles on the theme "what direction shall reform take," suggesting that we pour the sour wine of the rigid, outdated system into the new bottles of "reform." In 1988 and 1989, when we were in the midst of the first phase of reform, restructuring the national economy and improving the economic environment, it was necessary to adopt certain administrative measures to strengthen overall control. But the goal of this process was to create a good economic environment for further reform. These partial, temporary "restraints" were in no way an end goal; they were merely preparations for further "deregulation." However, some people held the opinion that the recall of authority, strengthening of administrative controls, and expansion of directive planning, including the expanded scope of centralized allocation and price controls, were in fact "reforms." This kind of talk "loses the meaning in the metaphor and extols the myth before the fact," making a hopeless muddle of the concept of reform.

Another example is in the area of price reform. Its goal is to create a relative pricing system which, as stated in the Resolution of the Third Plenary Session of the 12th CPC Central Committee, "reflects both the labor expended and supply and demand." In other words, we wish to deregulate the mechanism of price formation so that the relative price of each resource reflects its specific degree of scarcity, thus driving the market. Therefore, price reform must be "market driven." If we fail to grasp the gist of this idea, we may deviate from our intended path. If we abandon the goal of creating a market pricing system and do not use it as the criterion for judging the order of importance and urgency in reform, "disregarding the direction of public finance," not only will we be unable to quickly reorganize the pricing system as directed by the Resolution, we may also increase resistance to reform in response to previous damage to the interests of the masses. And if we botch price reform completely, we may even intensify conflicts and put economic and social stability at risk.

In order to rectify the superficial cadre understanding of reform and change their disinclination to implement

party policies, we must launch a far-reaching Marxist educational movement to teach the theories of reform and deregulation. This way we will raise the consciousness of cadres, particularly leading cadres, about implementing the Party line and policy decisions.

### III. Intensify Formulation of Reform Programs and Preparations for the New System's Basic Operating Conditions

The comprehensiveness and complexity of economic reform means that in the future, as we take major steps to advance reform, we must be meticulous in their design and careful in their construction so as to guide this revolution—in which the teeming masses will take part—along the correct path.

The point of this economic reform is to change the overall economic system from a command economy into a commodity economy—a gigantic undertaking. Since this is so, it is essential that there be excellent coordination between each step of the reform process. The greater the scope of reform, and the greater the coordination between each aspect of the new economic system, the more efficiently everything will operate. But on the other hand, precisely because the economic system is so huge and complex, we simply cannot expect each component part to be established and ready to operate at the same early moment. Moreover, reform has its costs, and given our limited resources we have no choice but to assign certain priorities in terms of precedence, importance, and urgency, and to proceed step by step. All of these factors mean that we must make appropriate advance arrangements for each aspect of reform.

Because reform must take place in stages, as we change from the old system to the new, there will inevitably be a transition period during which the old and new coexist. Right now China's economy is in the latter part of the middle stage of this transition period: On the one hand the old command economic system has largely been abolished; on the other hand the new economic system is not yet a complete functioning system. In particular, changes in the state sector of the economy, which is the framework of our economic strength, are not yet complete. This cannot help but create confusion in resource allocation functions, leading to many serious negative repercussions. This is the root cause behind the difficulties into which our public sector (including state-run enterprises and state coffers) has fallen. To counter this situation of coexisting systems in which nobody can effectively manage the overall functions of resource allocation, we should strive to bring about, as quickly as possible, a confrontation between the two systems, and to establish the pillars that will support the functioning of the new system. However, it is precisely because China is still relatively frail in terms of national power, and because she has inadequate reserves—particularly in the face of the current pressure of inflation—that we must be both bold in our strategy and cautious in our tactics. In advancing reform measures we must plan

meticulously within the limits of our resources to establish the order of precedence for each step and the coordination between steps. This all depends upon careful preparation before reforms are implemented on a broad scale.

In the initial stages, the urgency of our need for reform means we cannot put things off because of inexperience. Therefore, we must "plan as we go." But as we accumulate experience and intensify research, this situation should change. Moreover, as we intensify reform, and as reforms progressively reach deeper levels of conflict, those reforms which cost relatively little, for which the readjustment of relationships among different interests was relatively simple, and which were easily accomplished will already largely be in place; inevitably, the remaining reforms—the key reforms—will be the hard nuts to crack. For those, it is essential that we create a systematic plan of attack. At the same time, to link up the parts to form a whole and ensure the initial functioning of the new system, the coordination requirements between the various links become even more critical. Consequently, reform requires meticulous planning. Between 1987 and 1988 the State Economic-System Reform Commission worked with a group of economists to discuss a Middle Phase Reform Plan (also called the Three, Five, Eight Plan). But in the wake of the severe inflation that broke out in the summer of 1988, when improving the economic climate became the focus of economic activity, this effort was put on hold. In the past few years theorists originally felt they should concentrate their energies on planning the overall program of reform and schemes for implementing specific aspects of reform. But as the orientation of reform began to vacillate, it has become very difficult to pursue program planning work as was originally done. This produced a dangerous situation: After the decision was already made to accelerate reform, the lack of comprehensive vision and unified coordination in our leadership left each locality, sector, and unit to struggle on its own as best it could and undertake a hodge-podge of reforms all at once, ultimately resulting in mass confusion. Or perhaps because there were no implementation plans in place to rely upon, the mistakes inevitable to the reform process were increased and the costs rose. In reform, we not only must prepare comprehensive planning and implementation programs, we must also ready the legal system, the cadres, and so forth. Right now preparations in these areas are very weak, and we need to make vigorous efforts to remedy this situation.

#### **IV. Master the Correct Way To Handle the Relationship Between Reform and Development, and Strive for Sustained, Stable, Rapid Long-Term Growth in the National Economy**

Currently, the masses and cadres are enthusiastic about accelerating reform, deregulation, and modernization. The party and the government must actively organize and guide this enthusiasm. Economists must also work hard to study how best and most effectively to make use of this enthusiasm and motivation among the masses. To do so,

one crucial question must first be answered: What is the correct way to handle the relationship between reform and development?

When we talk about economic development, what we must first understand is that it is essential for China to maintain a relatively high rate of growth over the next 20 to 30 years—a relatively long period of time. This fact is predicated upon the current economic situation in China and upon international and domestic circumstances. As far as the domestic situation is concerned, China has yet to completely transform the face of poverty. If we are to achieve a relatively comfortable overall standard of living by the year 2000 and a level of development equivalent to that of a mid-level developed country by the year 2050, we must maintain a relatively high average rate of growth—10 percent or even higher. In the international perspective, the world has already experienced several scientific and technical revolutions, and by the end of the 20th century or the beginning of the 21st century it is very possible that a new one will arise. We must try hard to catch up. Otherwise, we will languish ever further behind the developed nations of the world. Moreover, Asia is the fastest growing economic region of the world, and China must take advantage of the positive effects of being a part of Asia while sustaining for a long period of time a faster rate of growth than the rest of the region.

The above discussion is based on what is necessary. But from the perspective of what is possible, how fast our economy can grow depends upon the degree of improvement in economic efficiency. If efficiency does not increase apace, and we must rely upon high inputs to produce high output, the high-consumption economic growth produced thereby will be materially and financially unsustainable over the long term. Even if our growth rate continues for a short while, it may fall off before too long. At the same time, we will be unable to establish a firm basis for the people's standard of living. Speaking from the current situation, among the many factors restricting improvements in economic efficiency, system factors seem to predominate. Consequently, if we wish to sustain a high rate of economic growth over a long period of time, we must first reform the listless, lifeless old system and build a new system that can operate efficiently. Otherwise our prosperity will be short-lived. The lessons of the past few years have taught us this.

The 1985 National Party Congress conducted a scientific analysis of the proper means of handling the relationship between reform and development. The CPC Central Committee Resolution on Drafting a Seventh Five-Year Plan passed at this congress pointed out that the primary guiding principle that must be followed in economic and social development during the Seventh Five-Year Plan is "To insist on making reform our first priority, and to ensure that reform and construction are mutually adaptable and mutually supportive." This resolution comprehensively expounded upon the relationship between the two, as follows: "Basically speaking, reform serves construction. And in the immediate perspective, arrangements for construction help to move reform forward." "In order

for reform to progress smoothly, we must determine a reasonable economic growth rate, prevent unchecked growth and the blind increases in production and output value, avoid shortages and disorder in the supply of goods needed for daily living, and create an economic environment amenable to reform."

The economic development situation extant during the Seventh Five-Year Plan proved that the foregoing analysis was absolutely on target. It is precisely the fact that we did not adhere completely to the above-stated principles—and in fact embarked upon a tangent of frantic growth and delayed reform—that led to the high inflation and economic fluctuations of 1988. The guiding principles of the Seventh Five-Year Plan should also apply to the Eighth Five-Year Plan. It provides an accurate guide for organizing reform and construction in this new period of high inflation. Currently one symptom is cause for concern: There is a tendency to conclude that if we are to ascend to a new stage, then we must have simultaneous "policies" in place on investment, credit, foreign exchange, and [daiqian 1601 6929]. If each locality and department enacts such policies, we will disperse and exacerbate the "bottlenecking" of resources that could be used to support major strides in reform and deregulation, thus leading to economic "overheating" and inflation. We must make it clear to all cadres and to the people that we need to improve efficiency to promote reform, and we must invest financial resources to improve efficiency. It is better to slow the rate of growth in the national economy than to create temporary rapid growth—via high resource consumption and high inflation—in a system still awaiting a basic breakthrough in reform. That is, we should restrict growth in GNP to 6-7 percent per year in order to get the socialist commodity economy on track as soon as possible. Then, provided returns improve apace, we can proceed full speed ahead. This way, in long-term balance we will be speeding up rather than slowing down. Thus, everyone who is eager for economic development and Chinese prosperity must first be eager for reform and deregulation. We must accelerate reform and deregulation, and right now the conditions are just right for doing so. It is entirely possible for us to organize well and, within five years or so, construct the preliminary framework for a new economic system, laying a systematic foundation for long term, rapid economic growth in China. Of course, as reform progresses and efficiency rises, our growth rate in the near future will depend upon further progressive increases in efficiency. As for certain advanced regions, because the new economic system will take shape fairly rapidly and be especially vigorous, it is natural that the growth rate in these areas will be faster than those of other localities.

### Finance, Banking

#### National Debts Grow Rapidly

92CE0591A Hong Kong CHIU-SHIH NIEN-TAI [THE NINETIES] in Chinese No 7, 1 Jul 92 pp 38-39

[Article by Ch'eng Ying (2110 1305): "The PRC's National Treasury Bonds Are Full of Loopholes"]

[Text] Statistics show that since the PRC began to reform and open up, it has piled up huge domestic and foreign debts which, by December 1991, had accumulated to domestic debts of \$86.5 billion RMB and foreign debts of over \$50 billion.

#### Opinions Vary as to Whether These Debts Are a Matter of Celebration or Concern

While the PRC long strived for an ideal world of "neither foreign or domestic debts," regarding it as a reflection of the superiority of socialism to take pride in, the bitter reality is that it has long left the Mainland Chinese economy comparatively undeveloped.

When the PRC began to reform and open up in the early 1980's, it started to incur severe budget deficits, so resumed issuing national treasury bonds, amounting to 4.8 billion yuan worth in 1981. I well remember the conditions at that time, of large numbers of young intellectuals returning to the cities and needing jobs, the pressing demands to raise the wages of staff members and workers, and the urgent funding needs for capital construction and public welfare projects, which forced the piling up of debts.

But once the flood gates were opened, the PRC's national debts shot up sharply for years. After 1981, its domestic debts increased from 4.8 billion yuan to 26 billion yuan by 1991, while its foreign debts also climbed steadily from \$15.8 billion in 1985 to \$52.5 billion by 1990.

Some have exclaimed, as Mainland China is so undeveloped, how could it stand to run up such huge foreign debts! Have these debts become unbreakable iron chains?

Others say that these debts have injected new blood and given new vigor to Mainland China's economic development, with the per capita debt burden being only \$80 RMB and the foreign debt burden being less than \$50 a person, so that there is no need to be overconcerned.

The PRC State Statistical Bureau projects that by the year 2000, while an average of 90 billion yuan a year will be needed for capital construction investment throughout China, this will far exceed China's national economic might, so that selling national treasury bonds will remain an essential means of fundraising.

#### Might a Debt Crisis Arise?

Some Mainland Chinese fear a debt crisis in China similar to that which occurred in the former Soviet Union and Eastern European bloc before its breakup. The PRC entered its peak debt repayment period in 1990. Not only is there much difference of opinion in foreign financial circles about the PRC's debt repayment capability, but a bottom line on incurring debts has even been drawn among senior PRC officials. An internal CPC document reveals that before "the Beijing Massacre on 4 June 1989," PRC policy was that borrowed money

must be used correctly, its profits must not be all distributed or spent, and debts must not be run up too high.

Yet the PRC continues to painstakingly declare to the world that it will definitely be responsible for repaying its debts, with absolutely no repudiation of them.

At a meeting of the Asian Bank in 1989, Vice Premier Yao Yilin made a definite promise that China would repay its debts. And at the end of 1991, State Council spokesman Yuan Mu declared in Beijing that mainland China's foreign exchange reserves had reached \$40 billion, which was plenty for repaying debts and maintaining credit.

But despite the government's fine-sounding words, public concern is certainly another matter.

#### What Is Our Money Being Used For?

As CPC corruption worsens and the social climate deteriorates, people are beginning to ask reprovingly "where is the money going from all of the government bonds that we have bought?"

There are undoubtedly so many loopholes in the spending and management of China's national debts that even a PRC Vice Minister of Finance was forced to admit that "overall, no extravagance or waste exists in China's use of national debt funds..." "Overall" indeed!

Just take a look at some of the PRC's own statistics!

A survey conducted by the PRC People's Construction Bank of over 200 large- and medium-sized projects from 1984 to 1986 found that three-fourths were not using their production capability, one-fifth were losing money, and one-fourth were seeing no results from their investments.

While a certain province in eastern China spent over \$1 million to import a foreign "profluralin B" production line, the factory went bankrupt because of a lack of markets.

There have been many reports about entertaining with public funds. Despite the volumes of directives and documents issued by senior PRC officials to strictly prohibit such entertaining, the conditions have not improved; moreover, entertaining has actually become a way of life in doing business on Mainland China. Since all areas have speeded up their pace of reform and opening, alarming amounts of money have been spent on entertaining and public relations. In order to attract foreign and Taiwanese investors, all cities and counties have been competing to break the entertainment rules, with the 20 billion yuan that has been wasted on such entertaining naturally having come out of the national treasury.

While localities and counties in the past did not allow any foreign exchange quotas, in recent years, even small and impoverished counties have been doing all they could to acquire foreign exchange. This has given cadres

who go abroad or leave the country opportunities to acquire foreign exchange subsidies through using their public offices for private gain. Where did this money come from? It came of course from the public treasury.

The use of public funds for entertaining is increasing steadily in all places throughout China, with large numbers of officials squandering foreign exchange in Hong Kong, Macao, and abroad in the name of reform and opening up.

Some foreign trade officials even speculate with foreign exchange on international money markets without authorization, with losses often reaching \$10 million...

In addition, state subsidies (for things, such as housing, medical care, and transportation) have increased year after year. While state subsidies to localities did not amount to even 10 billion yuan in 1978, they had topped the 100 billion yuan mark by 1990, creating increasingly larger budget deficits. And some of the money from the sale of national treasury bonds is going to make up these deficits.

#### Deng Xiaoping's Visit to Shenzhen Shook the Rules

The steps that the PRC has taken to curb these unhealthy tendencies are actually a remake of the so-called "pragmatic steps" that the leadership took to temporarily cope with the emergency after the democracy movement ended in "the Beijing Massacre on 4 June 1989," such as:

1. A mandatory short-term ban on the construction of official buildings, in order to reduce the huge capital construction investment and cool off the overheated economy;
2. A grandiose reaffirmation of opposition to entertainment extravagance;
3. A state restriction on imported consumer and luxury goods.

While these cooled down the consumer craze slightly, the only ones that truly involved national debt management were the following:

\*A tightening of foreign debt examination and approval procedures, so that no units or departments could make unauthorized commercial loans;

\*The putting into effect in 1990 of *Detailed Rules and Regulations on Foreign Debt Registration Enforcement and Temporary Provisions on Foreign Debt Statistical Oversight*.

In the words of the official in charge of the agency in Shenzhen for a certain city in Jiangsu Province, despite all of the rules, Deng Xiaoping's visit to Shenzhen and his issuing of Document No 2 that emphasized anti-leftism shook the rules, bringing an atmosphere in which enterprises could again run up large debts. This was sanitized as "reform must be a little bolder."

### **"National Debt Profiteers" Have Emerged To Exploit the Loopholes**

When the PRC first began to issue national treasury bonds, it was a big headache for units to fulfil their assigned purchase quotas, which forced them to adopt the method of "equal apportionment, with no defiance." From 1982 to 1991, each year's national treasury bonds attracted public buying with high interest rates, which had reached 14 percent by 1990. This, plus an additional guaranteed-value subsidization rate on government bonds, means definite large earnings at maturity for those who buy into the national debt (i.e. purchasers of national treasury bonds).

As buying into the national debt has become profitable, a national treasury bond black market and "national debt profiteers" have emerged to exploit the loopholes. In Shanghai, Guangzhou, and Shenzhen, national treasury bonds have become hot-selling commodities. The reselling at a profit of national treasury bonds has developed to the point where it has made some very rich, even producing millionaires. Even though they have been listed on securities markets, the state has invariably been unable to effectively control or legalize the trading of national treasury bonds. Over 100 cities on Mainland China have now opened circulation markets for national treasury bonds, with their trading leading that of all other bonds in Shanghai. This has set off a new round of national treasury bond issues, with the word being that the state has decided to issue another 10 billion yuan worth of investment bonds in 1992.

No matter how you put it, domestic debts of \$86.5 billion RMB and foreign debts of \$52.5 billion are already weighing on the shoulders of the people of China. If the PRC can stop up the loopholes and use this money more rationally to further reform and open up, these debts will undoubtedly spur economic growth. If not, they will become iron chains around China's neck.

## **Population**

### **Birthrates of Minorities in Four Autonomous Regions**

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[Article by Yang Shuzhang (2799 2579 4545), Chinese Population Information and Research Center: "Changes in the Fertility Rate Among China's Minority Nationalities in Four Autonomous Regions"]

[Text] Demographic developments among the minority nationalities have attracted wide attention in all relevant quarters. Data from the fourth census have revealed that the population of China's minority nationalities has risen from somewhat over 35 million soon after liberation to over 90 million in 1990, a net 1.6 times increase.

Especially from the 1970's on, increases were at a distinctly faster rate than that of the ethnic Han Chinese.

The rapid growth of the population of China's minority nationalities has undoubtedly had a profound impact on various socioeconomic aspects of the regions they inhabit. Studying the developmental laws that underlie the population growth of the Chinese minority nationalities, exploring the prospects of family planning in the minority nationality regions, progressing in a united advance of all nationalities within the great family of the motherland toward common prosperity, and achieving a well-coordinated development of population, social economy, and ecology, these all are now important tasks for China.

The present article analyzes the changes that have occurred during the last 20 years in the reproductive behavior among each of the important minority nationalities in four of China's minority nationality autonomous regions (the Mongolians in Inner Mongolia, the Zhuang in Guangxi, the Hui in Ningxia, and the Uygurs in Xinjiang). The article will show the changes and present status of the total fertility rate, the fertility rates by cohorts, and the average first-birth ages of women of each of the ethnic groups, followed by corresponding comparisons with data for ethnic Han women living in the same regions.

These four ethnic groups account for 70.2, 91.4, 17.7, and 99.7 percent, respectively, of the total number of each of these ethnic minorities living throughout all of China. They are each geographically located in different areas, have had a long history of economic development, and differ from each other in social patterns and religious beliefs; it will be possible through several analyses to point out from different angles the patterns of demographic developments among China's ethnic minorities.

### **1. Data Sources and Analytical Method**

Data used in the present article are primarily derived from the provincewise data of the 1988 nationwide sampling survey of fertility and birth control (a 2 per thousand sampling survey). Although the sampling survey did not pay particular attention to the distribution of ethnic minorities, the Mongolian, Zhuang, Hui, and Uygur ethnic groups are comparatively larger in numbers, accounting for 15.7, 33.5, 32.7, and 47.5 percent, respectively, in the populations of their respective autonomous regions. The records of these groups are a stratified, isometric, and holistic sampling, and thus retain their representative character with respect to the ethnic populations of the regions in question. Women born during the 1930-1973 period were: 2,949 Mongolians in Inner Mongolia, 7,540 Zhuang in Guangxi, 4,077 Hui in Ningxia, and 7,770 Uygurs in Xinjiang. The data, even in a study by age groups, remain statistically significant.

The present article adopts the method of time-specific longitudinal comparisons to analyze the changes in fertility

levels of the various ethnic groups, a method of comparison of the different ethnic groups during corresponding periods of time to analyze the impact of ethnic and regional elements on these developments, followed by comparisons with the Han in the same regions, to demonstrate the role ethnic factors play. The article will also make a comprehensive analysis of time-specific indices and cohort-specific indices for a study of time-specific effects and lifelong levels of reproductive conduct.

## 2. Drastic Decline in Total Fertility Rates

Total fertility rate is a frequently used index for the fertility level of women. The definition of the term "total fertility rate" in a certain year refers to the cumulative fertility rates of women of childbearing ages (15 to 49 years of age) of all the various age groups of that year. It is a time-specific index. Under certain assumed conditions, it may indicate the average number of children expected to be born by a woman throughout her life. Table 1 shows the changes in total fertility rates of the four ethnic groups during the 1970-1987 period.

The numerical values in the table show that although past fertility levels among the different ethnic groups differed widely, the total fertility rates of three ethnic groups, the Mongolians, Zhuang, and Hui have, one after the other, registered sharp declines during the last 20 years and by the end of the 1980's at a medium-low level of below 4.0. The declining trend in fertility was a common characteristic. The fertility of the Uygur

women still remained very high as before, but a certain declining trend has also become evident.

To avoid bedazzling the reader with too many figures and short-lived fluctuations, and to demonstrate the changing trend in a simpler way, we have separately computed the average values by periods of time for the total fertility rates of the women of the four ethnic groups and those of the ethnic Han women of the regions in question, and listed them in Table 1. Table 1 clearly shows the very substantial decline in the fertility levels of Mongolian, Zhuang, and Hui women during these 18 years. The fertility level of the Uygur women in Xinjiang, however, showed only moderate fluctuations with a very slow downward trend, in distinct contrast to the substantial decline among the ethnic Han women during the corresponding period in the same areas, and also completely different from the developmental trends for the other three ethnic groups. The average value of total fertility of Uygur women during the 1985-1987 period was 5.38, while the figure for ethnic Han women was only 2.51, there was therefore a differential of somewhat more than one time over. In other words, according to this fertility level, one Uygur woman could be expected to have an average of 5.4 births during her lifetime, while an ethnic Han woman in the same area would have an average of 2.5 births during her lifetime. The average expected births during the lifetime of Mongolian, Zhuang, and Hui women would be 2.9, 3.9, and 3.6, respectively.

**Table 1: Total Fertility Levels of Minority Nationality Women in Four Autonomous Regions Compared With Those of Ethnic Han Women**

Region	Inner Mongolia		Guangxi		Ningxia		Xinjiang	
	Mongolian	Han	Zhuang	Han	Hui	Han	Uygur	Han
1970-1974	6.07	5.05	5.54	5.25	6.70	5.48	6.13	5.20
1975-1979	3.68	3.05	5.16	4.26	6.61	4.06	5.87	3.69
1980-1984	3.33	2.43	4.35	3.65	5.45	3.05	6.03	2.77
1985-1987	2.90	1.92	3.94	3.34	3.56	2.57	5.38	2.51

(Source: 1988 nationwide fertility and birth control sampling survey)

In the early years of the 1970's, fertility levels of the minority nationalities were hardly affected by contraceptive practices, and they demonstrate therefore the more prominently the differences in objective conditions and in the state of health. Among the four ethnic groups, the fecundity of the Hui in Ningxia was the strongest, reaching the highest fertility level, followed by the Mongolians in Mongolia, and then by the Uygurs in Xinjiang, while the lowest level was that of the Zhuang women in Guangxi. Causes for these natural differences in the fertility levels are the natural surroundings in which the ethnic populations find themselves, their economic conditions, and also the effects of traditional ethnic customs and religious beliefs.

A large decline in the fertility rate of Mongolian women in Inner Mongolia occurred in the 1970's. In the early

years of the 1970's, their total fertility rate was about 6.5. This dropped to around 3.0 by the end of the 1970's, a drop of over 50 percent in less than ten years. During the 1981-1982 period, it rose again to 3.6, and thereafter dropped again year after year, having declined to 2.75 by 1987. These changes are similar to China's nationwide demographic changes. However, in the 1980's the Uygur level was higher than the nationwide level, and also experienced less fluctuations, but during the 1986-1987 period there was no recovery at all, rather a continued declining tendency, which also differed from the general nationwide trend.

The decline in the total fertility rate of Zhuang women in Guangxi began later than in the case of the Mongolians in Inner Mongolia. It started in the later years of the 1970's, the rate of decline being gentle and evenly,

almost without visible fluctuations. At the end of the 1980's, their fertility level was slightly higher than that of the Hui. The average value of the total fertility rate during the 1985-1987 period was 3.94. In the same region, the decline in the fertility rate of the ethnic Han women started in the middle of the 1970's and declined to 3.34 during the 1985-1987 period. Compared with the other regions, the difference between the fertility rate of the Zhuang and the ethnic Han women in Guangxi was rather small. The 1990 family planning regulations of the Guangxi Zhuang autonomous region make no difference in their family planning policy between Zhuang and Han, i.e. one couple may have only one child, and two children only with approval to be given in special circumstances. Obviously there is still a fairly large discrepancy between actual fertility rates and the rates mandated by policy. Possibly it is because the family planning policy is the same for the said minority nationality and for the little difference in their fertility rates.

The total fertility rate of the Hui women in Ningxia was, still up to 1976, over 7.3. The average value throughout the 1970's was 6.7. This demonstrates a strong fecundity, as is rarely observed among the other minority nationals throughout the country. A distinct decline in fertility among the Hui population had only just about started after 1983. Although the start came comparatively late, the decline was very fast. In the short period of three years, the total fertility rate dropped from 6.5 to 3.5, and it reached 3.45 during the 1985-1987 period. This was somewhat lower than the Guangxi Zhuang, but by one more child higher than among Han women of that region. There is still a certain discrepancy with the local family planning regulations, which allow every Hui woman to have two children, but judging by the trend of events, it does not preclude further declines to occur in the near future. After so sharp a decline in the fertility level, much effort will still be required to consolidate the situation, and to avoid that a backswing will occur, as it often happens after declines.

The Uygurs of Xinjiang are the only ones of the four minority nationalities who still maintain a high fertility rate. In most of the last 20 years, their total fertility rate was between 5 and 6. After 1985, there were successive declines during the next three years. This may be an indication of an impending large-scale decline in the fertility rate, but it much depends on developments in the general situation whether the declining tendency will continue. By the end of the 1980's, an Uygur woman may expect an average of somewhat over five births during her lifetime. To achieve the objective of the

"regulations," it would be necessary to reduce the average by two, which would not be an easy thing to accomplish.

Table 1 shows very clearly the difference in fertility rates between the women of the four ethnic groups as compared with that of the ethnic Han women in those regions. During the past 20 years, the fertility level of each of the four minority nationalities has on the average been higher than that of the ethnic Han women in those regions, but these differences have been larger or smaller depending on the ethnic group involved and the time in question. At the start of the 1970's, every Hui woman would on the average have 1.23 children more than a Han woman, and this places the Hui in this respect at the head of all the four ethnic groups. The Mongolians of Inner Mongolia would be second, as they would give birth to one child more than the Han women in their area. The fertility rates of the Zhuang women in Guangxi have all along been little different from those of the ethnic Han women. Toward the end of the 1980's, contraceptive practices had some effect, and the difference in fertility levels between the various ethnic groups began to change. The fertility levels of the ethnic groups in Inner Mongolia, Guangxi, and Ningxia in relation to the fertility level of the ethnic Han women declined one after the other. This occurred at almost the same pace in Inner Mongolia and Guangxi, where the change in differentials was not very large. However in Ningxia, the decline in the fertility level of the Hui women came later than that of the Han women, so that toward the end of the 1970's and early in the 1980's, the differential had increased to around 2.5, while later, with the decline of the fertility rate of the Hui women, it again fell to around 1. In Xinjiang, ethnic Han women generally practice family planning and are about to succeed in lowering the fertility level, while Uygur women very seldom practice birth control, so that now every Uygur woman can expect to have almost 3 children more than a Han women.

### 3. An Analysis of Cohort Fertility

Cohort in this connection refers to a group of people born during the same period of time. Studying the fertility of women cohorts compared with time-specific indices can provide us from a different angle with even more easily perceptible measurements. Table 2 shows certain cumulative fertility rates of cohorts up to survey end point (1 July 1988). Definition of the cumulative fertility rate here is:

Cumulative cohort fertility rate = number of births by cohort women up to survey end point, divided by number of cohort women.

**Table 2: Comparison of Cumulative Fertility Rates of the Minority Nationalities of the Four Autonomous Regions in Relation to Those of Han Women**

Year of Birth		1970	1968	1963	1958	1953	1943
Inner Mongolia	Mongolians	0.01	0.06	1.00	2.31	3.44	5.00
	Han	0.00	0.07	1.12	1.84	2.56	3.92
Guangxi	Zhuang	0.00	0.08	1.24	2.52	3.23	4.91
	Han	0.01	0.11	1.11	2.25	3.05	4.33
Ningxia	Hui	0.05	0.36	2.25	3.31	4.16	6.46
	Han	0.01	0.07	1.46	2.40	3.08	5.08
Xinjiang	Uygur	0.11	0.59	1.96	3.50	4.29	5.60
	Han	0.01	0.09	0.89	2.03	2.85	4.06
Ages of women at survey end		18	20	25	30	35	45

(Source of data same as in Table 1)

Special characteristics of cumulative fertility rates of cohort women of the main ethnic groups in the four autonomous regions are:

1. The very noticeable early marriages and early births among the Uygur and Hui women attracts attention.

The systematic data of Table 2 reveal the average number of births by women born in 1970. By 1988, the Uygur women of Xinjiang born in 1970 have already had an average of 0.11 births. For the Hui minority the figure was 0.05. Note that women born in 1970 were just 18 years or almost 18 years of age in 1988, and even by the special provisions for Uygurs in the new marriage law (which set 18 as the earliest age for marriages) should not have had any births. However, the survey data indicate that some Uygur women give birth at age 15, and that by age 18 not only had 10 percent of the Uygur women already given birth to one child, but that some even had given birth to two or three children. In the 20-year group, each Uygur woman on the average had already given birth to 0.6 children.

Among the ethnic Hui women of Ningxia, early births were not as generally prevalent as in the case of the Uygur women, but in comparison with the other minority nationalities the situation there was also rather serious. The cumulative birth rate among the 18-year group reached 0.05 and among the 20-year group it was as high as 0.36. That means that of the women born in 1970, 5 percent had already given birth by 1988 (when just 18 or almost 18 years of age), and that by 1988, the women just 20 years of age had to one-third already given birth to a child.

Among the Mongolian and Zhuang women aged 20 the ratio of women having given birth was 6 and 7 percent, respectively.

Early marriages and early births may contribute to rapid population increase, but is detrimental to the women's health and also bad eugenically and for child raising. Promoting late marriages and late births in the areas of the minority nationalities, propaganda and education on eugenics and child raising, strict implementation of the marriage law is of the greatest significance. Table 2 lists at the same time the cumulative fertility rate of Han group in the various areas in question. The table shows on the one hand the differences by areas of the early marriage and early births among Han, and on the other hand reveals the effects of ethnic factors. In Xinjiang and Ningxia, the average number of births of Han women aged 20 was 0.09 and 0.07, respectively, not much different from that in the other areas. This indicates that the principal reason for early births among Uygurs and Hui was indeed the effect of ethnic customs.

## 2. Low Lifelong Infertility Rate

To analyze the distribution of number of births during the lifetime of women, we are computing the average values in a comparison of the number of births by women born during the nine-year age span from 1931 to 1940 (i.e. aged 49 to 57) according to the following definition (see Table 3):

*Ratio of X time child births among a certain group of women = X number of births of said group of women, divided by number of women in said group [X = imaginary unit (translator's note)]*

Since all women within this nine-year age span are beyond childbearing age, it is possible to approximately take this proportion as the ratio of number of children born during their whole life span or the fertility rate of children born throughout their lives.

**Table 3: Comparison of Number of Past Births by 49-57-Year-Old Women Cohorts of the Minority Nationalities in the Four Autonomous Regions in Relation to Births by Han Women**

Numbers of Children Born		1	2	3	4	5	6
Proportional Ratio of Children Born							
Inner Mongolia	Mongolian	0.98	0.94	0.93	0.88	0.75	0.63
	Han	0.98	0.96	0.92	0.83	0.70	0.52
Guangxi	Zhuang	0.99	0.97	0.94	0.86	0.69	0.49
	Han	0.98	0.96	0.92	0.82	0.67	0.48
Ningxia	Hui	0.99	0.98	0.97	0.93	0.88	0.79
	Han	0.96	0.94	0.90	0.82	0.71	0.59
Xinjiang	Uygur	0.95	0.90	0.82	0.75	0.65	0.54
	Han	0.97	0.95	0.88	0.72	0.55	0.39

(Source of data same as for Table 1)

The above reveals that the proportion of Mongolian women who have at least born one child in their lives is 98 percent, of Zhuang and Hui women it is 99 percent, of Uygur women it is 95 percent, and the corresponding figures for Han women in the same areas are 98, 90, 96, and 97 percent, respectively.

From the ratio of one child born throughout the women's lives it is not difficult to get their ratios of infertility throughout lifetime.

*Ratio of lifetime infertility = (1.0 - 1 child lifetime fertility rate) x 100 percent*

The Uygur women of Xinjiang have a 5 percent lifelong infertility ratio, in the case of Mongolian women it is 2 percent, which is the same as the nationwide level, while it is lowest in case of Hui women in Ningxia, namely 1 percent. These figures are in conformity with the total fertility levels in 1970. The low infertility rate of the Hui women and their high fecundity has raised their fertility rate to above 7. An analysis of the actual conditions shows that the comparatively high rate of infertility of Uygur women is not at all due to any disinclination of these women to have children, but is very likely infertility brought about by bad health and local customs.

The low infertility rate of the Hui women is obviously related to ethnic and religious customs, because the infertility rate of the Han women in the same area is 4 percent, much higher than that of the Hui women.

Comparing the successive births in the lifelong fertility rate reveals that among the Uygur women the rate of infertility after the first child is most conspicuous among the four ethnic groups. Of those women who have had their first child, there remain only 95 percent who can have a second child, and of these only 91 percent will have a second child, and thereafter the number of births is quickly declining at a progressive rate. A comparative analysis of the Han ethnic group makes it clear that the said circumstance is related to the local habits and customs of the ethnic group.

#### 4. Average Age of First Birth

Raising or lowering the age limits for women to bear their first child has an important effect on population development. This is an important norm that influences population development; in addition, it can point out the extent of early marriages and early births, and can also demonstrate the effective achievement of late childbearing.

There are different definitions and methods of computing the average first-birth ages, and resulting values differ widely. We use here the average number of years of women before the births of their first children as the average age in our study among the various ethnic populations. Our definition is as follows:

*Average age at first birth = total number of years having remained childless of women who are past their last births, divided by the total number of women who are past their last births*

To gain a clearer perspective of the general trend of changes in the average age at first birth over the years, we have separately computed average values for the three-year spans of 1970-1972, 1978-1980, and 1985-1987, as per Table 4.

**Table 4: Average Age of Minority Nationality Women and Han Women at First Birth in the Four Autonomous Regions**

	Inner Mongolia		Guangxi		Ningxia		Xinjiang	
	Mongolian	Han	Zhuang	Han	Hui	Han	Uygur	Han
1970-1972	21.91	22.19	24.47	24.19	21.24	21.71	20.98	23.07
1978-1980	24.54	24.39	25.44	25.40	22.30	24.22	21.85	25.22
1985-1987	24.43	23.56	23.97	24.56	21.76	23.35	21.85	24.84

(Source of data same as for Table 1)

The general trend of changes in the average ages of first birth of the various ethnic groups are:

1) In the 1970's, the average ages of first birth rose conspicuously, but declined again in the 1980's.

Changes in the ages of first birth of the Mongolian women are particularly conspicuous. At the beginning of the 1970's, the average age was 21.9, which, compared with other ethnic groups, was not high, but within a few years it rose by 2.6 years, reaching over 24.5 years; this level was maintained even to the latter part of the 1980's. It thus became the highest average age for first births among all four ethnic groups—0.8 years more than the corresponding figure for Han women.

Early in the 1970's, the average age for Zhuang women having their first child was the highest among the four ethnic groups, almost 24.5 years, around three years higher than for the other ethnic groups. It rose again by almost one year at the end of the 1970's, but a steep decline occurred in the 1980's, so that at the end of the 1980's it was less than 24 years, which a half year less than the figure for the early years of the 1970's.

The average age of first birth for Hui women in Ningxia was, for the most part, comparatively low. It was 21.2 years early in the 1970's and rose by only one year by the end of the 1970's, while again declining by half a year in the 1980's. It may now remain below 22 years.

The average first-birth age of the Uygur women has always been comparatively low. It was 21 years early in the 1970's, rose by only one year toward the end of 1970's, but currently remains below 22 years. It also remains comparatively low among the average first-birth ages of the various ethnic groups. This is due to the early legal marriage age and the prevailing custom of early marriages.

2) Most women of the minority nationalities have their first child earlier than Han women in the same region.

The average ages of Zhuang, Hui, and Uygur women having their first birth are lower than those of Han women in the same areas. The ages first birth of Han women in Xinjiang are the highest for all Han women in the four autonomous regions, while the corresponding figure for Uygur women is low, as a consequence of which there is a very large disparity between the Uygur and Han average ages. The average age of Uygur women having their first child is by three years younger than the corresponding figure for Han women.

3) In a comparison of the four ethnic groups, the average ages of Mongolian and Zhuang women for first birth is comparatively high, while the corresponding figures for Hui and Uygur women is comparatively low; the disparity between the two groups is two years.

## 5. Conclusion

Most of China's minority nationalities inhabit remote border areas or broad, expansive mountainous regions

with sparse populations and underdeveloped economies. Environments differ widely, and population development of the various ethnic groups should conform to well-coordinated development of socioeconomic and ecological conditions of the particular areas. This article presents only a general description and an analysis of the changing trends in the fertility levels of women of four minority nationalities, with a comparison of the objectives of family planning regulations in the various regions, the intention being to detect changing trends in the fertility rates of China's minority nationality population. The following are conclusions we have reached in our analysis:

1) The present reproduction of the population of China's minority nationalities is in the process of entering a benign cycle. The process of change in the fertility of the ethnic groups comprises three types: The first type, as in the case of the Mongolians of Inner Mongolia, is where family planning had been introduced comparatively early and with notable success, and where a turn toward low fertility in the population has been basically achieved. The second type, as in the case of the Zhuang and Hui ethnic groups, is where after the middle of the 1970's fertility dropped conspicuously and is presently still in a declining mode. The third type, as in the case of the Uygurs of Xinjiang, is where the first signs of declining fertility have only appeared in the later years of the 1980's, and where we are just now finding ourselves at the eve of a marked decline.

2) The fertility levels of the minority nationalities is generally higher than that of the Han in the same region. Although there is hope that in the next decade the fertility levels of minority nationalities will decline to a certain extent, the natural growth rate of the population will, for quite some time, remain higher than that of the Han. The ages of most of the ethnic minority women having their first child is lower than that of the Han in the same regions. Among some of the ethnic minority women, early marriage and early childbearing are still the prevailing customs.

3) The high fecundity and low infertility rate of the Hui women of Ningxia is a very conspicuous ethnic reproductive peculiarity and deserves further study.

4) The infertility rate in some areas is comparatively high and should have the attention of all quarters concerned. Efforts should be made to raise health standards, and those couples who suffer infertility but wish to have children should be assisted in having their desires fulfilled.

In case of the first fertility type, the achievements accomplished so far should be consolidated. The principal aim of present family planning is to accomplish the objectives prescribed in the family planning regulations. We must, without further loss of time, review the experiences with family planning among the minority nationalities, perfect and spread family planning practices, giving all due consideration to suitability for the various

ethnic groups and regions involved, and promote intensified family planning among all minority nationalities throughout the country.

In case of the second fertility type, the fertility rate is now in the process of rapid decline. Here it is necessary to guide the masses in conscientious efforts to establish and affirm such concepts on fertility that would embrace late marriages, fewer children, and ecological quality. We must earnestly and effectively resolve the various actual problems that have arise from the lowering of

fertility rates, and prevent any bouncing back of fertility rate after their steep declines.

In the case of a population of the last fertility type, it is necessary to launch energetic propaganda and education on family planning, to have the masses of our minority nationalities realize that planned development of ethnic populations is highly significant for the well-being and prosperity of minority nationalities and the regions in question. It is also necessary for them to gradually acquire new concepts in matters of reproduction and accelerate efforts to achieve desirable changes in their fertility rates soon.

### Origin, Nature of Chinese, Western Human Rights

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[Article by Yang Shi (2799 6624): "Cultural Traditions and Human Rights"]

[Text] The foreword of the white paper "The Condition of Human Rights in China" says, "The enjoyment of human rights is an ideal long pursued by mankind." This statement clearly delineates the common ground shared by China and the people of all nations in the world, including Western nations. However, the white paper also states solemnly, "The development of human rights in a nation, however, is constrained by its historical, social, economic, and cultural factors. It is a process of historical development. Since nations differ enormously in terms of historical background, social system, cultural tradition, and economic development, they often vary in their interpretation of human rights." I think that this point of view, well-reasoned and based on facts, powerfully exposes the erroneousess of the wildly arrogant attitude of some human rights agitators in the West.

Concerning the differences between the Chinese and Western concepts of human rights, I would like to suggest, in a general way, that they are the result of three important factors. First, China is a socialist nation, while the West is capitalist. When these two social systems and two ideologies clash over human rights, sharp antagonism and conflict are inevitable. Second, in terms of economic development, China is a developing nation that still trails the advanced nations of the West. The fact that China is a developing nation necessarily affects and constrains how far it can actually go to achieve human rights for some time to come. (This despite the fact that as a socialist nation, China is vastly superior to capitalist nations in ensuring a basic livelihood for its masses and safeguarding their cultural needs.) Third, significant differences between Chinese and Western cultural traditions also are keenly felt over such issues as what is man and what constitutes human rights. This kind of difference is less striking than the first two groups mentioned above and is thus overlooked by some people who dismiss its significance in the debate on the human rights issues. Cultural traditions not only exist in reality, but exerts a profound impact on the daily lives of the people and are deeply embedded in their psychology and spiritual outlook. Seemingly invisible and imperceptible, cultural traditions are omnipresent and felt in profound ways. These three groups of factors are interwoven and interacting. The human rights issue is an all-embracing major issue. It is imperative, I think, that these factors be studied in their full context along with the way they reinforce and hamper one another, if we are to observe and handle the relationship between the Chinese and Western views of human rights, build up a socialist view of human rights with Chinese characteristics, and strengthen our work to protect human rights. That some

opinions are not persuasive enough and come across as flimsy and contrived probably has to do with our failure to give the three sets of factors due attention. Here I would like to concentrate on the role of the third set of factors, namely the factor of cultural tradition.

"Human rights" refer to the rights that a person is entitled to by virtue of his humanity. That human rights become an issue means that human beings have not yet been treated as human beings or that, constrained by social, economic, political, and cultural conditions and the level of development, they are a long way from enjoying the rights that are due them. Of all these conditions, inequality between men man, and oppression and exploitation of man by his fellow man provoke the most outrage and vehement condemnation. It is at this point that protests and struggles take the form of a fight for human rights. But what are the standards for determining if "a human being is a human being?" What are the standards for determining if "a human being is being treated as a human being?" These questions were never even raised in the millennia since man began existing on the face of the earth. The reason is that back then, man was in a state of primitive equality and freedom. There were no real fundamental conflict of interest or power. Nor was there a strict distinction in the minds of primitive men between men and things (animals, plants, and the entire universe). This was consistent with the absence of the notion of man oppressing man. Only in the age of civilization when man became opposed to man as a result of the appearance of private property, which enabled a minority to dominate the majority and become a privileged group, was society divided into the controllers and the controlled, into even masters and slaves. Only then did the idea arise that one is a true person, a free person, worthy of special respect from one's inferiors and slaves only when one becomes a master. So, quietly, the concept of human rights was born. Ironically, the concept was itself the negation of human rights. In ancient Greece, for instance, it was believed that only "free" men were men. The essence of man was freedom. But free men in their definition were limited to Greeks, particularly citizens with full rights in their own city-state, never people from outside. In their thinking, people of other races were "barbarians" that were born to be slaves only. It can thus be seen that the human rights of the free citizens of Greece were actually a privilege in ancient times premised precisely on the denial of human rights to the people of other races, to slaves, to outsiders, and to women. This situation lasted through Roman times all the way to the Middle Ages in Western Europe, in other words, through the slavery system and serfdom, but with two major advances. First of all, unlike slaves, serfs were not regarded as merely objects. Instead they were considered human beings, different from an object but still very lowly. Secondly, owing to the Christian doctrine that all men are the children of God and that everybody is equal before God, Christianity for the first time planted in the mind of the Westerner the concept of man as a universal being. In other words, whether a person was a Greek, a Roman, or

of another nationality (including barbarian races,) whether he was a man or woman, or a master or slave, as long as he believed in God, he would be loved equally by God and was treated on an equal level with other human beings, God's highest form of creation. The Christian view of treating all human beings as human beings only worked in religious life or in a spiritual sense. In reality, it had to compromise with slavery, serfdom, and the caste system. It was a reflection of the resistance and protest by oppressed nationalities and people in ancient times against Roman rule and indicated a desire on their part to struggle for some kind of human rights. Since this struggle could not succeed in the real world of the here and now, they could only put their hopes in the future and appeal to the Christian doctrine of salvation. It was not until the 17th and 18th centuries that Westerners (John Locke and Rousseau) clearly put forth the concept of human rights.

From this brief summary, we see that "human rights" and the concept of human rights are the product of a long process of social and cultural development in history. In particular, it is the cultural fruit of the struggle between man and man (between nationality and nationality, between class and class). In theory, the central issue is "man's consciousness." What is society's consensus on "what makes a human being a human being?" Under what circumstances does the consensus come about? When? Once there is a consensus in society on what "makes a human being a human being" and on the standards involved, the rights that he is entitled to as well as his obligations would naturally and reasonably emerge. The only thing that needs to be done is to stipulate them in detail and implement them. What makes a human being a human being, that is, the so-called essence of man or humanity, is the foundation of all concepts of human rights and all human rights theories. And the essence of man or humanity lies precisely at the core of culture, what culture is all about at its most profound. The root of the differences between the Chinese and Western concepts of human rights can be found in the different ways in which Chinese and Western traditions define what makes a human being a human being. Research on this difference is called comparative studies on Chinese and Western ethics, a field of study that will be of great help to anyone who studies human rights issues. Below I would like to discuss briefly the different ways in which Chinese and Western cultures answer the question: What makes a human being a human being? and the significance of such differences.

In the Western tradition, it is freedom that is supposed to make a human being a human being. In contrast, the Chinese cultural tradition holds that what makes a human being is his ethics. While freedom and ethics are not necessarily mutually exclusive, their emphases are vastly different. From this disparity arises two different types of culture and ethics, each having had a profound impact on history even today.

Since the times of ancient Greece, Westerners have made freedom the essence of man. A person controlled or

enslaved by another person or some external object could not be considered true human beings. Only free human beings were truly human beings. Proudly did they declare their city-states and their citizens to be free, proving their superiority over other nationalities by pointing to the latter's lack of freedom. In modern times, Westerners go even further by styling themselves as the "free world" everywhere. And it is the so-called freedom that lies at the heart of their concept of human rights.

From the ancient past to this day, Chinese culture has always revolved around feudal ethics. China was said to be a "nation of etiquette" or a nation of "humanity and justice." Its moral values, social and political institutions, cultural customs... everything revolved around feudal ethics. According to accounts in such works as the *Shiji* [Historical Records] and *Mengzi* [Book of Mencius], China's humanistic culture had its origins in the appointment of Qi by Shun as "minister of education" to teach the masses the "five kinds of education". The Duke of Zhou laid down the "Zhou code of ethics," Confucius put forward the doctrine of humanity, and ethical culture flourished. Subsequently Mencius explicitly taught that there were five sets of human relations, which differentiated man from animal. This became the core of traditional Chinese culture. Even today the Chinese people still value spontaneous and sincere kindness between man and man. Television dramas such as "Longing," "Bamboo Fence, Women, and Dogs," and its sequel "The Star is my Bosom Buddy" have no spectacular theme or plot, yet they strike a respective chord among their huge audiences on both sides of the strait, touching off what has been described as an "explosive" response. Frankly, the only reason they have been able to achieve this is that they portray in depth in a detailed manner the Chinese people's ethics in the new era. An in-depth understanding of the characteristics of China's humanistic culture is deeply significant for our cultural development, human rights development, and the development of its theory. In addition, it would be a major contribution to the world. Not only would Oriental peoples identify with it, but Westerners too stand to benefit from it, in the same way that we assimilate the culture of freedom from the West analytically. Instead of being mutually exclusive, the two are complementary in very positive ways.

Chinese and Western cultures have different emphases and each has had colossal achievements. However, in terms of reality and from the perspective of the desire of mankind to strive for higher ideals in the future, the Chinese and Western cultures both have their own duality since both came into being and were established with the advent of private ownership. Freedom and ethics are all well and good; both are what man inherently needs. In the past, however, both were distorted by private ownership and its class distinctions. In reality, the freedom enjoyed by Westerners was nothing more than the kind of freedom essential to private commodity owners in their exchanges. In other words, if commodity exchange is to take place successfully, both parties must

respect each other's property ownership rights and his personality and free will as a commodity owner. Moreover, this treatment must be reciprocal and equal. In the West, so-called human rights actually refer to these things (freedom, equality, property rights, security) manifested politically and legally. The exchange between private owners, however, is always self-serving deep down. To a private owner, other people are merely his tools or his inferno. Inherent in equal and free exchange, therefore, is the potential for endless struggle and war. Everybody is plotting to destroy equality and replace it with inequality favorable to himself all the time. Hence this phenomenon in the history and culture of Westerners: freedom going hand in hand with slavery, peaceful intercourse going hand in hand with war. In a fundamental sense, despite its enormous progressive importance in history, it is narrow, distorted, and inherently evil to regard the freedom of commodity relations under private ownership as man's sole freedom. Such freedom is a two-edged weapon. Concomitantly, the concept of human rights of the West also carries with it a dual character.

We also must take an analytical and critical attitude toward China's traditional ethical culture. From the Western Zhou Dynasty all the way to the eve of the 1911 Revolution and even the pre-liberation days, traditional Chinese ethical culture was essentially patriarchal, clanish, and hierarchical. The love for fellow men and the spirit of mutual aid and cooperation, which are mankind's natural attributes, were put to work to establish and maintain clanish hierarchical rule. In this way, ethical culture itself was grossly distorted and degenerated into part of the feudal ethical code: the three "cardinal guides" (ruler guiding subject, father guiding son, and husband guiding wife) and the "five constant virtues" (benevolence, righteousness, propriety, wisdom, and fidelity), an instrument for preserving hierarchical rule, a tool of oppression and exploitation. The patriarchal feudal ethical code, it should be admitted, united the Chinese people in history in a closely knit nation, preserved and developed the Chinese nation, and created a most magnificent and glorious culture. These were its great achievements. At the same time, however, we must expose and criticize the way in which it stifled the initiative of the masses at the bottom rung of society, which militated against an individual's exercising his conscious initiative.

### **Need To Balance Political, Economic Rights**

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[Article by Wang Chenguang (3769 2525 0342): "Classification and Role of Human Rights"]

[Text] The term human rights is an all-embracing concept, its contents extending to many areas. While the contents of human rights have varied, now expanding, now shrinking, from one historical period to the next and

from one nation to another, some elements of human rights are universally recognized to be basic to the concept, judging from the laws and statutes of the various nations and documents on international law. The contents of human rights can be classified using different criteria. For instance, we can differentiate between individual human rights and collective human rights, depending on whose human rights we are talking about, or between political and civil rights, on the one hand, and social and economic rights, on the other, depending on the nature of the contents. These methods are commonly recognized in research on human rights philosophy in all nations. In our own white paper on human rights, we too effectively divide human rights into individual human rights and collective human rights, between the right to exist, individual inviolability, and other political rights, on the one hand, and economic, social, and cultural rights, on the other. These different classification methods are among the most important issues in human rights research and implementation today and therefore have considerable practical significance.

### **1. Individual Human Rights and Collective Human Rights**

The human rights theory of the West has its origins in the concept of justice of ancient Greece, the concept of right of ancient Rome, and the idea of natural law and the theory of social contract espoused by thinkers of the Enlightenment of the 17th and 18th centuries. All philosophers of the Enlightenment subscribed to the existence of a state of nature for man. In the state of nature, man was an isolated lone individual. The individual was perceived as the basis and driving force behind the creation of society. This being the case, in the society subsequently begun when men entered into a social contract, the rights that they already had in the state of nature were retained and became inalienable human rights. From the very beginning, such human rights were based on the abstract individual and revolved around individualism. This concept of human rights satisfied the demand during the formation and development of early capitalism for an army of workers unshackled by personal dependency, and free and independent. It also was consistent with the bourgeois opposition to theocracy and monarchy, which for a long time remained the basic core of human rights. However, because it was based on some hypothetical state of nature conjured up by historical idealists, and because it rejected the social essence of man, this concept of human rights was clearly unscientific. In line with this human rights concept, some scholars argue that only individual human rights are human rights in a truly meaningful sense. But the opposing concept of collective human rights has also matured in the course of history.

To begin with, the concept of collective human rights can be interpreted in terms of man's social nature. In Marxism, man is not an abstract isolated individual but a real person living in a particular society. "The human

essence is no abstraction inherent in each single individual. In its reality it is the ensemble of social relations." (*Selected Works of Marx and Engels*, Volume 1, p 18) As a social being, man had a social nature from the beginning. And the human rights derived from man's existence also have social essence. Such social nature, it can be said, is a precondition for the emergence, existence, and development of human rights. Only because men live in a concrete social framework could there arise the issue of human beings respecting each other's personality and rights. This is what makes human rights meaningful and protects them. As an entity in society, the individual has his own individual rights, otherwise known as individual human rights. At the same time, the emergence of collective human rights, which transcends separate groups of individuals in society, also is inevitable. Although their existence was not consciously understood for a long time (it is only in modern times that the concept of collective human rights was formally advanced and, in particular, made a legal issue), it emerged following the appearance of individual human rights and, to a certain extent, influenced and determined the destiny of individual human rights. One of the slogans of the bourgeois revolution, for instance, was human rights (especially individual human rights), the principal component of which was third-class rights. The realization of those rights also helped determine the destiny of individual human rights.

Secondly, the concept of collective human rights can also be understood in terms of the needs of the existence and development of human society. An individual cannot maintain his own rights without others recognizing and respecting them. By the same token, he must recognize and respect others' rights. It can thus be seen that what is needed if individual human rights are to exist and be protected is social order and institutions. And there must be a corresponding social organization to establish, protect, and maintain the social order and institutions in any particular social structure. The specific social organization will thus inevitably put forward a set of rights in its own name, that is, collective human rights. For instance, the principal objective of the civil rights movement which flourished in United States in the 1960's and 1970's was the collective human rights of blacks and other people of color. It is precisely the realization of collective human rights that the cause of individual human rights and social progress has advanced. Collective human rights are not the mere sum of individual human rights. Depending on the nature and scale of the social organization in question, they can manifest themselves as the human rights of a group, a nation, or a society. The latter two groups of collective human rights are particularly worthy of attention in modern society. They include a nation's right to self-determination, to exist, to be independent, and to develop, as well as environmental rights. Here we can see that collective human rights not only have a theoretical basis but also are objectively existent.

The fact is that not only does Marxism espouse collective human rights, but a number of bourgeois thinkers also

advocate collective human rights. At the turn of the century, for instance, social jurists like Gongpuluoweiqi [6300 2528 5012 4850 1142], Ailixi [1002 0448 1585], A.V. Dicey, and Robert Pound and sociologists like Emile Durkheim all held that the human essence is his social nature, that he lives in a collection of human beings through socialization, that his behavior receives support from the internal order of the collective or by association, and that only through such a collective can a person's rights be realized. Gongpuluoweiqi even went so far as to argue that "inalienable" human rights were man's most irrational self-mystification. (*International Encyclopedia of the Social Sciences*, Volume 6, p 295) Dicey held that rights require at least 2 principals (one putting forward the demand and the other being at the receiving end), but since man was an isolated being in the state of nature, it follows that there could not have been such a thing as natural rights. (Shen Zongling [3088 1350 7227], *Modern Legal Philosophy of the West*, 1983, p 53). Pound, for his part, clearly and systematically put forward a theory of interests including public interests and social interests. (Parsons, *Jurisprudence*, 1953 p 518). There is a world of difference between the teaching of these scholars and the historical materialism of Marxism. At most we can characterize it as objective historical materialism. In an age when capitalism entered the era of mass industrialized production and imperialism, these scholars managed to see multi-level structures of social organization and their roles and advanced a socialization view that is opposite of the state of nature and the theory of natural rights. To various extents, their teaching has spurred the socialization of laws and the formulation of welfare policies in Western nations since the beginning of the 20th century. In addition, it also proves that collective human rights have received a measure of recognition and protection as an objective existence in the West.

Some scholars in the West argue that the formulation of human rights conflicts with that of traditional human rights. They also hold that since collective human rights must be achieved through collective forces and in the name of the collective, instead of being realized in the name of the individual and through individual action as in the case of individual human rights, collective human rights are not true human rights. This line of thinking takes as the sole basis a hypothetical abstract man, and on that account, denies collective human rights as an objective existence and as significant. Since the methodology itself is a priori, its conclusion naturally is just as unscientific. Both individual human rights and collective human rights must be affirmed and protected with legal, administrative, and economic tools. However, the extent to which the state protects individual human rights and collective human rights does indeed differ, as do the methods of protection. The forces of the state are mainly relied upon to define, advocate, and implement collective human rights, such as the right to self-government of a nation or its development right. Not so with individual human rights. It is true that individual human rights must first come under the constraints of a

specific social system and legal framework. But once the social system is in place, the individual must rely on his own resources to advocate and achieve individual human rights within the established legal and social framework. For instance, he must take the initiative to make complaints as a means of securing administrative or legal protection. In China, collective human rights are by and large consistent with individual human rights. Be that as it may, since the content, scope, and methods of implementation are normally determined by the collective, especially the state, the degree of participation by members of the collective and whether or not the democratic system is sound are bound to have a profound impact on individual human rights. Our economic and social life is still characterized by many undemocratic features and imperfections, so there is a possibility that collective human rights and individual human rights may conflict with each other under certain circumstances. Even as we emphasize collective human rights, we must therefore take care to prevent abuses of state power, and prevent the misuse of collective human rights to intervene improperly in and even negate individual human rights.

Some scholars in the West also claim that the theory of individual human rights determines the relations between the individual and the government and that it is the primary responsibility of government to protect individual human rights. I would argue that, from the perspective of active protection of human rights, it is good to emphasize the government's role in protecting human rights. In a socialist nation, the people are the masters. It is inevitable and right for its government to make the protection of the interests of its master, the people, and its constituent elements its top priority. Breaking with past practice, in the current constitution, we put the chapter on citizen's rights ahead of that on state organs, suggesting that the protection of human rights is the government's principal responsibility. Also embodying this concept is the goal of the existing round of structural reform: "small government, great society." Of course, there is this important distinction between socialist and capitalist nations: the human rights protected by the former include collective human rights as well as individual human rights. Thus the social nature and the consequent class nature of the human rights protected by the two sets of nations are also fundamentally different.

In theoretical circles, collective human rights are always perceived to be superior to individual human rights. Such is indeed the case in economically backward developing nations. The reason is that after achieving independence, these nations were confronted with an unfavorable international political and economic situation and must therefore mobilize all their resources to consolidate their existence and develop their economy first. (Ya Shi Kai [0068 0087 0418], "State Theories and Constitutional Issues in the Third World" in *International Law*, Connecticut University Law School, 1991 Vol 6 No 2) In this larger environment, collective human

rights are critical. Be that as it may, it may not be correct if we push this argument to its conclusion and argue that collective human rights are superior to individual human rights in all circumstances at all times. What is true in general may not be true under a specific set of circumstances. There are certain situations in which the importance of individual human rights exceeds that of collective human rights. For instance, the trampling of individual human rights during the Cultural Revolution plunged the entire society into chaos, in effect jeopardizing collective human rights. The debate we had after the Cultural Revolution about the "qiuji" [3808 4694] crisis refers precisely to that kind of situation. Clearly it is a top priority under these circumstances to emphasize the protection of individual human rights.

## 2. Political and Civil Rights; Economic and Social Rights

It is generally thought that traditional human rights had their origin in the right to life, liberty, and property advanced by thinkers of the Enlightenment. The right to political participation sprang from Rousseau's theory of popular sovereignty. Economic and social rights, on the other hand, came much later. Articles 22 through 29 of the "Universal Declaration of Human Rights" adopted by the United Nations in 1948 stipulates a series of rights, including the right to be educated, the right to equal pay for equal work, the right to enjoy the living conditions necessary for the maintenance of the health and welfare of the individual and his family, and the right to rest, entertainment, and paid leave. (Peter Stein, *Legal Value in Western Society*, 1974 p 159) These constitute what are usually referred to as a new kind of human rights, namely economic and social rights. A Western scholar wrote, "The proposal of the new kind of rights was the result of lobbying by members of the (human rights declaration drafting) committee from communist nations." "It is the *modus operandi* of the communists to misuse the term 'rights' to serve the principles they subscribe to." (Maurice Cranston, from the same source cited above.) These charges shed some light on the origins of the economic and social rights spelled out in legal documents. At the same time, they pit political and civil rights against economic and social rights, rejecting the need for the latter as a precondition for the existence of human rights. Human rights are a historical concept. No matter how scholars divide its course of development, it is a fact that the contents of human rights change as the time and place change. Take the U.S., for instance. Although the right that everybody is "born equal" has long been written into the "Declaration of Independence" and amendments to the constitution, the individual and political rights of blacks were excluded, as were those of women. Only after a protracted struggle by the people and in the course of economic development and a socialist and people's liberation movement of a global scale was the scope of human rights expanded to their present form today. To think that only human rights as traditionally defined are true human rights and that they are immutable is clearly

inconsistent with the facts. In the age of modern industrialization, even Western nations have formulated a large body of social insurance legislation and social welfare policies, safeguarding up to a point the material living conditions for the working masses. It is precisely the partial assurance of these economic and social rights that has enabled society to develop with a measure of stability. And the assurance of these rights is inseparable from the labor movement and the development of socialism. Whether we admit it or not, the development of human rights is a historical fact. Changes in their content (including their subsequent amplification to incorporate social and economic rights) has long been affirmed.

Why do some scholars in the West argue that these new rights are a misuse of the term "rights?" As they see it, traditional human rights are freedom from restraint, whereas state-initiated action, including administrative tools and economic planning, is needed to bring about social and economic rights. In the case of traditional rights, all the state needs to do is to provide equal opportunity. The latter, in contrast, requires the state not only to provide equal opportunity, but also to provide personal welfare directly and even to limit the economic rights of some individuals up to a point. Because of these distinctions, they argue, economic and social rights are not human rights in the true sense of the word but empty slogans that cannot be achieved. Economic and social rights indeed have their own special characteristics, but it is unreasonable to deny their human rights component on that account. A capitalist society needs free men with an independent personality to take part in commodity production. As a result, it can recognize a person's individual freedom and a limited measure of political rights. No doubt these rights are a key part of human rights. However, what a capitalist society cannot bring itself to recognize is man's economic equality and the abolition of private ownership. The personal freedom and limited measure of political rights in capitalist society is nothing more than a means to perpetuate that kind of economic inequality. Max Weber, the sociologist, built his social structure upon what he called the "atom" individual. In this society, there was a legal system that he described as formally rational as well as an equal opportunity for all men. However, he also realized that this system along with its equal opportunity created a gap between rich and poor and perpetuated this gap. He bemoaned the fact that this system would paradoxically become an "iron cage" for man. (Weber, *Protestant Ethics and the Capitalist Spirit*, 1958 p 181) Whether you admit it or not, human rights that perpetuates the division between rich and poor are not perfect human rights after all. If one's livelihood does not receive the necessary protection, he would not be able to fully enjoy his political and civil rights. It was precisely this consideration that prompted the drafters of the "Tehran Declaration" adopted by the International Human Rights Conference in 1968 and the "Resolution on the New Concept of Human Rights" adopted by the UN in 1977 to affirm as follows: "Unaccompanied by

economic, social, and cultural rights, civil and political rights will never be fully realized. If sustained progress is to be made in the achievement of human rights, a comprehensive set of effective national and international economic and social development policies is needed."

Socialism is the only system under which there can be true and complete human rights. The reason is that the public ownership system of socialism is the one system that can provide a solid foundation for all components of human rights. Not only does it seek formal equality between men, but it cherishes substantive equality even more. The latter kind of equality can emerge only in the wake of the elimination of substantive economic differences.

On the other hand, we must not pit economic and social rights against civil and political rights or put them in two watertight compartments. The realization of the former depends on the achievement of the latter (particularly the citizen's right to participate in policy-making). Moreover, the realization of the former does indeed require government initiative involving the use of state power and the application of a variety of tools, including legal and administrative tools and planning. If there is no adequate and strict control over the application of those tools, social resources will easily be wasted and individual rights trampled on, damaging the enthusiasm of the masses in participating in socialist construction. Also, when social welfare is provided improperly, the results could be counterproductive. A good example is the "iron rice bowl" and the phenomenon of "eating from the big rice pot" encountered in economic structural reform in China.

We also should see that the realization of economic and social rights does not necessarily mean the realization of civil and political rights. If economic rights are recognized but political and civil rights are not fully safeguarded, economic rights in turn will necessarily be weakened or lost. During the Cultural Revolution and other political movements of the past, we did not pay full attention to the protection of individual rights or political rights, driving the economy to the brink of collapse. This is a lesson we should analyze in earnest. Economic and social rights, on the one hand, and political and civil rights, on the other, are complementary and part of a whole. Under no circumstances can we ignore or over-emphasize a particular aspect. Certainly there are special circumstances in which we can and should pay attention to protecting some aspect of individual human rights.

**Origin, Analysis of West's Modern Human Rights**  
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[Article by Wang Zhe (3769 0772): "Analysis of Modern Western Concept of Human Rights"]

**[Text] 1. Philosophical Origins and Theoretical Basis of Modern Western Concept of Human Rights**

The so-called modern Western concept of human rights refers to the human rights theory as opposed to divine right [preceding two words in English] put forward by bourgeois thinkers of the Enlightenment in the 17th and 18th centuries. It broadly refers to the rights a person has as a member of the human race. These rights are not bestowed upon him by a monarch or ruler, but are his birth right. They are natural rights that man already had before the emergence of political society. They are God-given rights, also known as natural rights. It was England's John Locke who first formulated clearly and systematically the modern Western concept of human rights, subsequently refined by Rousseau, the French philosopher. In their eyes, human rights are the basic rights for man's existence, dignity, and value.

Scanning the broad sweep of the history of Western political and legal thought, we clearly see that even though the bourgeois human rights theory of the 17th and 18th centuries emerged as a response to the needs of the time, it had deep philosophical roots. Before its emergence, there were basically four branches of human rights thought in Western history. The first was the theological human rights thought, the earliest record of which was the Old Testament. Human rights were God-given rights, according to Hebrew writings on Adam seven centuries before the birth of Christ. God created all things on earth. The name "Adam" means mankind, human, or humanity. Chapter 3 of *Genesis* provided the theologians with the basis for a human rights theory. Since God created man, the latter possesses a specific dignity and value and enjoys a number of common rights. The *Old Testament* includes ideas similar to what we call human rights today, such as restrictions on slavery (*Exodus*, *Leviticus*), prohibitions against the wanton violation of female slaves (*Exodus*), giving charity to the poor (*Isaiah*), and fair treatment for foreigners (*Leviticus*), among others. Second, there is the legal concept of human rights. In English, the root of the word "right" traces back to the Latin word "jus," commonly used by Romans as a synonym for jurisprudence. Essentially it refers to the collection of rights surrounding the use and ownership of land as well as some rights accruing to serfs attached to the land. The citizens of Rome enjoyed some of the basic rights recognized today, such as the right to be free of cruel punishment and the concept that one cannot be found guilty without a trial. However, these rights were bestowed by the monarch (who derived his kingship from God), and were not something man was born with. The third is stratified human rights thinking. A striking feature of early Western human rights thought was to confine some civil rights to certain strata or levels in society. For example, the Roman Code stipulated that only Roman citizens were entitled to basic rights, while people from other regions or territories were denied such rights. Similarly, England's highly-praised Magna Carta enumerated as many as 63 basic human rights, but only for dukes,

princes, and noblemen. Fourth, there is the philosophy of moral human rights. It is moral human rights thinking that dominates the entire spectrum of Western human rights thinking. In ancient Greece, Plato and Aristotle advanced a theory of justice and emphasized natural equality and natural justice. In ancient Rome, the writings of Cicero and Roman jurists stressed the important role of natural equality and justice in human life. By the time of the Renaissance in the 14th century, humanists went even further to emphasize human rights thinking such as social justice and social consent. No doubt this human rights philosophy has had an important impact on the formation of the human rights ideas of the thinkers of the Renaissance. In other words, what the Renaissance thinkers did was to continue to refine the human rights thinking inherited from history to suit the needs of the struggle of the bourgeoisie against feudalism and establish its own political rule.

The theoretical basis of the modern Western concept of human rights is natural law. Human rights theory is an essential part of the theory of modern natural law. Modern Western nations and legal theories that belong in the natural law school are based on natural law, including the "state of nature," "natural rights," "natural law," and the "theory of social contract." Their so-called human rights refer to the rights man enjoyed in the state of nature. The basic argument is as follows. Man is a rational creature. Before the state appeared, he existed in the natural state and enjoyed God-given natural rights, including the right to life, liberty, and property, and the right to punish crimes against natural law. Since life was inconvenient and society unstable in a state of nature, man, being a rational creature, surrendered all or part of his natural rights to a minority of people or society at large by establishing a new political system through social contract. The new body politic (namely the state) protected their original rights in addition to giving them civil rights. Of the numerous Enlightenment thinkers, it was Locke and Rousseau who contributed the most to the development of human rights theory. Locke went beyond arguing that man possessed a natural right to life, liberty, and property, the core of natural rights; he also emphasized that these rights cannot be transferred to anybody and are inalienable at all times. Even when men get together to set up a government through social contract, they are merely turning over to their government the "power to punish crimes in violation of natural law." The right to life, liberty, and property remains untransferable. As a party to the social contract, Locke argued, the government not only cannot damage or take away a person's basic rights, but must make it its objective to protect his right to life, liberty, and property. Thus vis-a-vis the citizen, the government is an instrument for protecting human rights. If the government infringes upon a citizen's rights, it would be within the people's right to annul the social contract and set up a new government. Thus human rights are a check on power abuses by the government. This concept of human rights laid the theoretical foundation for the establishment of the rule

of law by the bourgeoisie. Second, continuing where Locke had left off, Rousseau transformed abstract human rights into concrete political and civil rights through the social contract and provided a theoretical formulation for them, which came to serve as a legal basis for bourgeois human rights. To better protect their natural rights, and on the basis of absolute equality, Rousseau argued, men "find a form of association which will defend and protect with the whole common will the person and goods of each associate, and in which each, while uniting himself with all, may still obey himself alone, and remain as free as before." This is the fundamental problem of which social contract provides the solution. (*The Social Contract*, Commercial Publishers, 1982 edition, p 23) "This act of association creates a corporate and collective body... This public person, so formed by the union of all other persons, was formerly called a city, and now is called a republic or body politic; it is called by its members a state when passive, sovereign when active, and when compared with other similar bodies, is called a regime. Those who associate in it, are collectively called the people, and individually, being participants in the ruling authority, are called citizens, and those that fall under the legal authority of the state are called subjects." (*The Social Contract*, pp 25-26.) Proceeding from this thesis, Rousseau argued that in the state founded on the basis of a social contract, every individual has a dual identity and enjoys dual rights. First, as a participant in sovereign authority, he gains the political right to run the state. Second, as a follower of the laws of the state, as a citizen, he has the civil right to be protected by the government. Locke and Rousseau thus theoretically demonstrated the origins of what are commonly called human rights, civil rights, and political rights, which are embodied in the political and legal documents, such as the "Declaration of Independence" of the U.S. and the "Declaration of the Rights of Man" of France, drawn up after the victory of the bourgeois revolution. Both affirm the substance of human rights by having it written into law.

## **2. The Basic Contents of Human Rights As Understood by the West in Modern Times**

Modern bourgeois scholars sum up the contents of human rights as these five aspects. First, there is the right to exist. The school of natural law considers man's right to exist as the highest and most basic of all natural rights. Every creature in nature, the natural law school maintains, does its best to maintain its existence. Man, a rational being, is certainly no exception. According to Locke, the right to live is a right a person is born with; nobody can turn over to somebody else the right to control his life. "For a man, not having the power of his own life, cannot by compact or his own consent enslave himself to anyone, nor put himself under the absolute, arbitrary power of another to take away his life when he pleases." (John Locke, *Two Treatises on Government*, Book 2, Commercial Press, 1982 edition, p 17)

Second, there is the right to liberty. Liberty has been described as the core of capitalism; there can be no

capitalist society without liberty. Philosophers of the Enlightenment regarded liberty as a tool for protecting life, so freedom is a basic human right. Man is born free and equal, according to Rousseau. "Men are free by virtue of their humanity." He wrote, "By giving up liberty, we degrade our being." (*A Dissertation on the Origin and Basis of the Inequality of Mankind*, Commercial Press, 1982 edition p 137) He also wrote, "To renounce liberty is to renounce being a man, to surrender the rights of humanity and even its duties." (*The Social Contract*, Commercial Press, 1982 edition, p 16)

Third, there is the right to equality. In the history of modern Western philosophy, the concept of equality was first put forward by Hobbes and subsequently given special emphasis by Rousseau. They argued that man could not achieve freedom without equality and independence. This is because without equality, "freedom would not exist." Accordingly, they consider the right to equality an essential part of natural rights. They also portrayed equality and independence as being closely related. If man has no right to equality, he would have no right to independence and will inevitably become somebody's dependent or be used as a servant by that person. Equality is what humanity needs.

Fourth, there is the right to property. Modern bourgeois thinkers consider the right to property the most sacred and inviolable all human rights, the reason being that the right to property is the material base for the realization of the right to life. In Locke's view, the right to life may be interpreted as merely a right to ensure that personal properties are not violated and the right to liberty nothing more than a right by which everybody knows the full extent of his properties. To Rousseau, the right to property is a crucial element of human existence. Like liberty, property is inviolable.

Fifth, there is the right to political participation. By transferring some or all of their natural rights, Locke and Rousseau argued, man obtains political rights and civil rights in the new moral entity (that is, the state). Under their theory of popular sovereignty, as a participant in sovereign authority, every person has the right to take part in managing state affairs. Hence their claim that the right to political participation as a participant in sovereign power is a basic element of human rights.

Such are the basic contents of modern human rights. The most striking characteristic is its abstractness and supra-class nature. Its emphasis is on political and civil rights while ignoring economic, social, and cultural rights.

## **3. The Historical Role and Limitations of the Modern Concept of Human Rights**

We should realize that the modern Western concept of human rights is an expression of Western culture, a demand of the struggle of the bourgeoisie against feudalism and for self-liberation, and an embodiment of their ideals and beliefs. As a new moral concept and cultural concept of the times, as a new political and legal thesis, it was historically progressive in its own way but

also had its class and ideological limitations. There are three things about the modern Western concept of human rights that should be affirmed. First, as a key part of the principle of natural law, the concept of human rights provided the bourgeoisie with an ideological weapon in its struggle against feudal privileges and feudal oppression, and in the bourgeois revolution. Also, it laid the ideological groundwork for the establishment of a political and legal system by the bourgeoisie after seizing political power. Second, the modern concept of human rights was a major driving force behind the institution of the rule of law by Western nations. The concept of human rights requires that government authority be limited, that the rule of law be strictly adhered to, and that government exercises power in accordance with the law and be regulated by law. Third, at the heart of the values espoused by the modern human rights theory is justice and fairness. It works to prevent abuses of power and exercises an extra-legal moral authority of a higher order. It is a yardstick for determining rights and wrongs in human society. In this sense, the modern human rights theory has exercised a powerful impact on contemporary human rights. It has been the philosophical cornerstone of the formulation of international law on human rights, the recognition of a nation's right to self-determination and development, and the demand of modern life for new human rights.

At the same time, it should be stressed that the modern concept of human rights has its own limitations in terms of ideology, class, and history.

First, the concept of human rights of the modern natural law camp has no scientific basis but is instead founded on idealism. They assume the existence of a so-called state of nature in past human history and that man enjoyed natural rights and created the state and formulated laws by entering into a social contract, thereby giving rise to civil rights. All this is unscientific and is divorced from reality in the development of human history.

Second, this concept of human rights rests upon egoism as epitomized by its emphasis on the sacredness and inviolability of the right to private property. By espousing this concept of human rights, its advocates become in effect apologists for private ownership.

Third, their concept of human rights is hypocritical and deceitful. They advocate universal human rights, yet in a capitalist society only the bourgeoisie which controls capital goods enjoys human rights, while the vast majority of the people lack the material basis for achieving human rights. In other words, in a capitalist society the essence of human rights contradicts their theory. As Marx said, "the human in human being is none other than member of society." "So-called human rights are nothing more than the rights of members of civil society, that is, the egoistic rights of people removed from human essence and community." (*Complete Works of Marx and Engels*, Volume 1, p 437) In essence "the rights of members of civil society" are the rights of the

bourgeoisie. The proletariat, which own no capital goods but are also members of civil society, are forced to sell their labor on the market to make a living. Once he enters the production process, the rights that a worker seems to possess in the realm of circulation and that appear superficially equal to those of the bourgeoisie vanish without a trace. The new value he creates in the process of labor is appropriated in full by the capitalist. Thus these supra-class universal human rights are actually a privilege for the bourgeoisie.

### 16 Provinces, Municipalities Crack Down On Vices

92CM0393A Beijing RENMIN GONGAN BAO  
in Chinese 21 Jul 92 p 1

[Article by Zhang Tao (1728 3447): "Sixteen Provinces and Municipalities Crack Down On Vices"]

[Text] To clean up the social climate and improve law and order, 16 provinces and municipalities, namely Guangdong, Fujian, Zhejiang, Hubei, Tianjin, Liaoning, Yunnan, Guangxi, Guizhou, Shandong, Anhui, Shanghai, Shaanxi, Shanxi, Hebei, and Sichuan launched an all-out struggle against a host of vices in recent months and have achieved a measure of initial success.

Guangdong launched a province-wide drive in the second half of this year to outlaw prostitution and root out the "seven vices." Preceded by a round of publicity and education, the drive fully mobilized and relied on the masses. Its primary objective was the prohibition of pornographic activities. The campaign has preliminarily resolved the problems of a group of key units. Another priority was the construction of incarceration and educational facilities. Laws were strictly enforced and the crackdown proceeded smoothly. In a 3-month period, a total of 13,000 prostitutes were arrested along with 40,000 people involved in the other "seven vices." In addition, 531 prostitution rings were uncovered, 998 brothels were closed, and 15,000 "seven vices" cases were cracked. In Fujian, public security bureaus mounted two joint actions to crack down on prostitution in March and early May; 1,300 prostitutes were rounded up and a host of hotels and beauty parlors were cleaned up. In May, public security bureaus in the three municipalities of Hangzhou, Quzhou, and Taizhou in Zhejiang launched an anti-prostitution drive, arresting 388 prostitutes and rounding up 52 other people for distributing and reproducing pornographic materials. In Hubei, the provincial public security bureau launched an anti-prostitution drive in cooperation with other agencies in charge of commerce, culture, public health, and industry and commerce between mid-April and late May. As a result, 772 prostitution cases were uncovered and 2,100 prostitutes were arrested. At the same time, everything was done to overcome difficulties. The prostitutes were properly taken care of, educated, and tested and treated for sexually transmitted diseases. In Tianjin, the public security bureau launched an anti-"six vices" campaign

in May, uncovering 1,979 cases, including 156 prostitution-related ones. In Liaoning Province, the public security bureaus of Dalian and Dandong launched a spring offensive targeting prostitution; 150 prostitution cases were uncovered in April and May.

Under the leadership of the provincial CCP committee and the provincial government, the public security bureau of Yunnan Province declared a people's war on drugs and steadily intensified the three prohibitions (on drug trafficking, drug taking, and drug production between January and April. As a result of the crackdown, 1,205 drug-trafficking cases were uncovered in the province and 1,940 drug smugglers were arrested, of whom 277 were sentenced to death and summarily executed. Moreover, over 8,000 drug addicts were sent to rehabilitation centers to undergo drug treatment. Guangxi has been implementing all anti-drug measures vigorously. Between January and May, 1,800 drug cases came to light in the entire region and 200 kilograms of opium and 15 kilograms of heroin were seized. The public security bureau of Xi'an launched a spring offensive in March and April to crack down on drug trafficking and prohibit drug use; 30 drug-trafficking rings were destroyed and 155 drug-trafficking cases were uncovered.

In Shanxi, two joint offensives, in mid-January and early April, by public security bureaus rescued 739 women and children who had earlier been kidnapped and more than 300 individuals were arrested, including human traffickers and illegal buyers who had mistreated the women and obstructed rescue work. Workers were specially assigned to escort the women and children to their hometowns. Since March, the Guangxi public security bureau has sent people to Guangdong, Hebei, and other places to begin the task of rescuing kidnapped women and children. Based on the name list of kidnapped women and children provided by its counterpart in Guangxi, the public security bureau of Handan prefecture in Hebei went around and made inquiries, visiting each village and hamlet. After a 10-day intensive search, 114 women and children were rescued. Since the beginning of this year, the public security bureaus of Wanxian prefecture and Mianyang municipality in Sichuan have cracked down on the kidnapping of women and children, rescuing over 100 of them.

#### **Su Xiaokang Analyzes '84-'89 Intellegentsia Trends**

92CM0318A Hong Kong PAI HSING [THE PEOPLE]  
in Chinese No 264, 15 May 92 pp 42-43

[Article by Su Xiaokang (5685 2556 1660): "Spiritual Rebellion and Cultural Movement on Mainland China"]

[Text] Faced with challenges from the West in modern times, China was forced to modernize. Repeated failures in political and economic spheres steered intellectuals toward extremist thinking. On the one hand, they viewed all of China's problems as a cultural issue and sought a fundamental, comprehensive solution. The results were

the all-out anti-traditionalism of the May 4th Movement and Mao Zedong's Cultural Revolution. Neither produced a fundamental solution, while doing untold damage to culture. The cultural issue of modernization we talk about today probably originated amid such background. The complexity of the issue is this. It was on the spiritual and cultural level that the first break with communist totalitarianism occurred. The reason is that this kind of totalitarianism is premised upon ideological control. The mainstream of the anti-autocracy cultural movement, in turn, goes back to the anti-tradition cultural extremism of the May 4th Movement. The upshot is that even as we open up a new cultural space and achieve pluralism, we also put ourselves in a new cultural and spiritual predicament. This issue, in turn, has an enormous impact on China's economic and political transformation. It is such impact that I would like to discuss.

#### **1. About Cultural Space**

To some people, every change in Mainland China today—the emergence of a market economy, the large-scale political conflict, runaway secularization in the spiritual sphere, and the rapidity with which omnipotent rule loosened its grip—is caused by economic reform. Personally, I think all that has to do with an initial gap: cultural space. In China, economic reform is basically a remedial measure resorted to by the ruling party to stave off the legitimacy crisis caused by its repeated political and economic errors. (Up until his latest visit to the south, Deng Xiaoping had not abandoned two things: socialism and proletarian dictatorship.) The legitimacy crisis is not about people wanting to overthrow the regime; it is about the Chinese people no longer spiritually trusting this regime and its ideology. Even the most liberal members of the "reform faction" within the CPC pin their hopes on economic development to consolidate their rule. The conservatives who cling to their rigid policy, the reform group which advocates economic openness, and the princes' party which came to the fore recently all regard "liberalization" as their no. 1 spiritual enemy. This leads me to think that intellectuals who called for "liberalization" a few years ago cannot shake off their responsibility for Chinese politics no matter how different their political views are. For instance, some work within the system, some work outside; some participate in politics, some are apolitical; some subscribe to neo-authoritarianism, and some do not.

Certainly, the initial space I am talking about is not political but spiritual and cultural. It predated the Cultural Revolution but developed into a sense of rebellion only in the latter part of the revolution, manifesting itself as the "hazy moonlight" school of poetry and "star" school of painting which appeared at the same time as the "democracy wall" in late 1990. I do not want to exaggerate their importance but a number of things are clear:

1) The so-called cultural space does not mean securing a foothold in the realm of official ideology. Instead, it means driving from one's mind the all-pervasive "party culture."

2) Spiritual rebellion is better able to leave a mark on history than outright political opposition.

3) Although it is a liberalization of human nature, at the beginning it was a strongly moral force and favored political participation. It was not a secular force.

Young people were Deng Xiaoping's political allies in the "democracy wall" era but were subsequently suppressed by him. That Wei Jingsheng [7614 0079 3932] has been forgotten by society after he was jailed shows that people who engage in direct political opposition, particularly opposition to a communist party that has initiated a policy of reform, can mobilize only very limited political resources. (It is only when reform is stalled that such political resources will multiply.) Although the opening up of the cultural space set the stage for several subsequent major spiritual and cultural movements, there is a gap in values: ideas like human rights and freedom of speech have never been mentioned again. What followed was mostly spiritual and cultural movements that steered clear of politics.

## 2. Spiritual and Cultural Movements

The spiritual and cultural movement I am talking about refers to the so-called "liberalization" movement that arose spontaneously from among the masses, that sought to nullify the Chinese communist ideology, and coincided in with the decade of economic reform. In Eastern Europe, similar movements predated China's by at least 20 years. (During the Hungarian Revolution and Prague Spring, China was still caught up in the Great Leap Forward and Cultural Revolution.) This kind of spiritual and cultural movement does not amount to political behavior, but once a totalitarian society lives through such a process, it will naturally be headed for political pluralism and unrest.

On three separate occasions, the CPC tried to suppress the spiritual and cultural movement by launching the "anti-spiritual pollution" campaign, the "anti-liberalization" movement, and the post-June 4 purge, all to no avail. The reason is that no society in the process of opening up can stop its pluralization and secularization. This is something the CPC does not understand. Some scholars have criticized liberalization on the mainland and the "mass democracy" movement it touched off for disrupting economic reform. People who so criticize look at the economic process exclusively and fail to understand the cultural and spiritual essence of openness. The inherent weaknesses of the spiritual and cultural movement certainly made themselves apparent in the mass political conflict, but you cannot repudiate it for that reason. The underlying reason why China could not go back after June 4 is not so much economic as spiritual and cultural. What are the spiritual and cultural changes that have prevented China from going back?

First, there is the anti-political phenomenon of rejecting the official ideology. The underlying significance of cultural space is that it has opened up an intermediate spiritual zone that would enable first intellectuals and then the man in the street to emerge from their state of dependency as spiritual slaves of the CPC (instead of posing as political opposition), and begin to develop their own viewpoint, position, and choices. From spontaneous and passionate participation in political movements in the Mao Zedong era to weariness with and even estrangement from the government's political games, from "revolution breaking out in the depths of one's soul" to noting in jest that "Uncle Lei Feng is no longer alive," you can see that it is the CPC Central Committee that has been absolutely weakened in thought control. When the vehicles of culture such as literature, art, and movies no longer undertake any political mission, the biggest loser is the CPC. Of course, they are just as reluctant to undertake the mission of political opposition. This is a phenomenon that has come under endless criticism by many intellectuals intensely interested in political participation.

Second, going hand in hand with and complementing the trend toward anti-politicization is the wave of secularization that has made deep inroads among the masses. Traditional Chinese society used to be highly secular, but it was transformed by communist ideology into a utopian society that was ultra-ascetic, hypocritical, and anti-human in nature. This explains why the process of secularization accompanying openness is a similarly intense one. On the one hand, the disillusionment with communist ideals inspired a this-worldly secular spirit, opening the way for the entry of such Western ideas as liberty, human rights, and democracy (albeit on a limited scale), as well as reviving the traditional Chinese way of life (such as indulging in eating and drinking.) On the other hand, while China economically opened up to the outside world, it also has thrown open its doors to a consumption-oriented mass culture, making possible the invasion of popular culture from Hong Kong and Taiwan. Thus China has become a materialistic and commercial society precisely when the utopian dream was dashed. For a while, it seemed that human desires were running amok. With the dream of democracy destroyed again after June 4, people became even more obsessed with the pursuit of material things and more inclined to eschew ideals. I do want to point out, however, that the wave of secularization has produced two unexpected consequences as far as opening up cultural space is concerned. First, it has created a massive market where culture can be bought and sold, where spiritual and cultural products are rapidly transformed into commodities. Any spiritual control or influence must be reduced to an extent acceptable in the marketplace. Moreover, the market's mechanism of choice is absolutely neutral. This market is precisely what I referred to earlier as the cultural intermediate zone. Second, all kinds of new thinking and new ideas have no alternative but to toe the mass line. Many academic, artistic, and political issues were removed from the

corridors of power and ivory towers and thrown into lanes and alleys, becoming street talk and gossip. In the process, a small number of intellectuals were transformed into celebrities or were viewed as influential in their opinions because they were insightful or controversial. At the same time, the entire strata of intellectuals has begun to retreat to the fringes of society. This is the reason why intellectuals were able to unleash the democracy movement of 1989 but were powerless to influence it.

Third, "culture fever" in the mold of a "cultural carnival." With the cultural space putting an end to the monistic world, China's artistic, philosophical, cultural, and academic circles suddenly found themselves unshackled. The ferment of thought was so strong that it was irrepressible. The scenario was more complex than the May 4th Movement of the past. It can be looked at from two perspectives.

First, the "culture fever" was preceded by an ideological liberation movement, a movement whose starting point was the interpretation of classic Marxism. From the discussion of the so-called "standards of truth" to Wang Ruoshui's [3769 5387 3055] humanism and his challenge over the issue of alienation, it is a battle of words that strikes at the heart of the CPC. Since the May 4th Movement, Marxism, which came from the West, has replaced Confucianism as the creed of intellectuals on the mainland. Any social change must begin by reinterpreting the creed. This enables the strata of intellectuals to cast off the yoke of all sorts of determinism, evolutionism, and class theory in their values and methodology, paving the way for a "culture fever."

There was an outbreak of "culture fever" between the second half of 1984 and the massacre of 4 June 1989. Today, it is the focus of widespread interest but research on it has just begun. Still opinions have been formed on it.

1. The cultural space has created divisions within the intellectual circles, giving rise to different ideological trends and schools of thought and vastly complicating the philosophical sources of culture fever.

Somebody has tentatively sorted them out as follows: scientism (Fang Lizhi [2455 0356 0037]); neo-Kantism (Li Zehou [2621 3419 0624]), Neo-Confucianism (Chinese Cultural Library) the teaching of A.J. Toynbee (Jin Guantao [6855 6034 3447]), and Weberism (*Culture: China and the World* editorial committee.) Although there are deep differences among them, they are all opposed to dictatorship and centralization.

2. Some people argue that although "culture fever" is inclined toward utilitarianism, it still constitutes a new enlightenment. Others criticize the "culture fever" for being superficial and extreme. Like the May 4th Movement, it will, they claim, mislead China spiritually in a way that cannot be ignored.

3. Others observe that "culture fever" is consistent with the traditional way in which Chinese intellectuals attempt to solve China's problems—by focusing on ideology, culture, and morality. Behind cultural pluralization is pan-culturalism and the root of pan-culturalism is the quest to solve China's problems fundamentally and comprehensively by means of ideology.

The relationship between "culture fever" and the large-scale political conflict of 1989 also is an interesting topic. The conventional wisdom is that the various trends of thought in culture fever have had a major impact on university students today. However, while the leaders of most major schools of thought in "culture fever" were drawn into the Tiananmen Square movement (although they differed considerably in the extent of their involvement and commitment,) they had a minimal effect on what happened on the square. There will be different interpretations of this phenomenon. In my mind, the intellectual's role in the political sphere in the course of modernization is very limited. In traditional society, Confucianists organized society and served as a bridge between the imperial regime and the masses. No longer do intellectuals play such a role today. When they do participate in politics, the modern intellectual can only take one approach, namely, by organizing an opposition party, something intellectuals on the mainland do not yet have the strength and courage to do because of their estrangement from politics and their trend toward apoliticization.

#### **Proposals for Educating, Developing S&T Leaders** *92CM0318C Beijing ZHONGGUO RENCAI [CHINA'S PERSONNEL] in Chinese No 5, May 92 pp 7-9*

[Article by Kuang Xinghua (0562 5281 5478), Cao Shangwei (2580 1424 0251), and Huang Xiaolong (7806 1420 7893): "Proposals for Training and Nurturing S&T Leaders"]

#### **[Text] 1. Concept of Leaders in Science and Technology [S&T] Leaders**

An important characteristic of the development of modern S&T is the increasingly detailed specialization taking place in scientific work. Scientific research can be distinctly divided into basic research, applied research, and developmental research. Both in the magnitude of human, material, and financial inputs and in the way research is organized and managed, basic research, including pure scientific research, on the one hand, and engineering and technological research of an applied and development type, on the other, each have their own special features. While pure scientific research and engineering and technical research each require their own experts, there are striking differences between the two groups of experts. Accordingly, we refer to the cream of the crop in the field of pure science as scientific leaders and the cream of the crop in the field of engineering and technology as all-round S&T leaders, while reserving the term "S&T leaders" to cover both groups.

Scientific leaders refer to the most outstanding scientists who have made major discoveries in scientific research (essentially basic research) and have formed scientific groups revolving around themselves. What usually happens is that a large number of scientists collaborate in research under the leadership, organization, and coordination of a handful of the most outstanding scientists with the purpose of achieving a breakthrough in a particular area. Danish physicist and Nobel Prize winner Niels Bohr is deservedly called a model S&T leader. With his brilliant achievements and outstanding organizational abilities, Bohr brought together in Copenhagen in the 1920's and 1930's a host of the world's most talented physicists at the time, forming the well-known Copenhagen school and building the edifice of quantum physics.

All-round S&T leaders refer to the new-style scientists and engineers who possess exceptional organizational and managerial abilities in addition to having earned a reputation as experts in their fields. They are capable of putting together and organizing a group of scientists and engineers from different disciplines and areas of technology to undertake and complete major research, development, and test projects. In the course of implementing a project, they are decisionmakers, instructors, and direct participants (as principal scientist or chief engineer, for instance), on the one hand, and on the other hand, coordinators for and managers of the S&T personnel involved as well as for the entire project. All-round S&T leaders are a product of the great scientific era, having emerged from a handful of mammoth engineering and research projects. Robert Oppenheimer, the American who was put in charge of the "Manhattan Project"; Andrei Sakharov, "father of the atomic bomb" in the Soviet Union; and Qian Xuesen [6929 1331 2773], father of the rocket in China, are all eminent representatives of all-round S&T leaders. In the great scientific era, most S&T leaders come from the ranks of all-round S&T leaders.

## 2. China's S&T Leaders: Current Situation and Problems

These are times when China is taking a quantum leap. With S&T being the first productive force, China must no doubt rely on spectacular advances in S&T if it is to soar. China's achievements in the S&T in the last 40-some years demonstrate the overwhelming importance of S&T leaders. Looking ahead to the future, one sees S&T leaders as the most decisive factor. However, S&T leaders currently on the S&T front in China fall far short of what is needed to achieve a quantum leap in the nation's S&T, both quantitatively and qualitatively, and in terms of the role they must play.

First, China has a dire shortage of S&T leaders. A decade of turmoil has devastated the nation's scientific, technological, and educational undertakings, causing a gap in the ranks of China's corps of S&T personnel. Although China has more S&T personnel than many developed nations, and although it boasts a number of S&T leaders

including Qian Xuesen, the famous scientist, most of them are already quite advanced in age. In contrast, few S&T leaders are in the prime of life. (What makes this a particularly acute problem is China's huge population base.) Thus the shortfall in S&T leaders is actually worse than it appears.

Second, the distribution of S&T leaders is uneven, first of all, in terms of discipline. China has made rapid advances in physics, mathematics, biology, mechanics, and aerospace, and it is in these fields that S&T leaders are relatively concentrated. Overall, however, the distribution of S&T leaders is grossly lopsided. In a number of traditional disciplines, "inbreeding" is flagrant, whereas in some newly flourishing areas, such as non-linear science, earth sciences, molecular neurobiology, environmental science, space science, and engineering science, not only is there an acute shortage of S&T leaders, but even the training of graduate students cannot keep up with the needs of scientific development. In those disciplines, therefore, no successors to the current generation of S&T leaders are in sight. Secondly, the distribution of S&T leaders is lopsided in terms of research type. Relatively speaking, S&T leaders are more plentiful in basic research, which explains why China ranks among the top in the world in high energy physics, superconductivity research, and molecular biology. In contrast, S&T leaders in applied and developmental research can be counted on the fingers of one hand. Yet it is the fruits of applied and developmental research that are more directly needed to fuel the development of the national economy. We can therefore say that China has a greater need for, but is more acutely short of S&T leaders in the fields of applied and developmental research.

Third, China lacks world-class natural scientists, as indicated by the nationalities of Nobel Prize laureates in the natural sciences field. The U.S., Britain, France, and Germany account for 89.9 percent of all Nobel Prize winners for science in the world, with the U.S. alone making up 46.6 percent. As for China, other than Yang Zhenning [2799 2182 1332] and Li Zhengdao [2621 2398 6670], who won the signal honor in the 1950's (at the time neither had obtained U.S. citizenship), all the scientists of New China have so far been locked out. Although a Nobel Prize winner is not necessarily an S&T leader, this shows at least there are few world-class players among China's S&T leaders.

Fourth, the overall academic standard of China's S&T leaders is low. For instance, of all S&T papers included in the United States' four leading indexing systems in 1987, China had less than 1 percent, more than Brazil but fewer than India. In terms of the rate of citation, China was only one-eighth that of the U.S., one-third that of Brazil, and one-half that of India. This not only shows that the quality of China's S&T papers is not high, cited only infrequently and exerting little international influence, but also indicates a significant gap between the overall academic standard of China's S&T leaders and those of their counterparts in advanced nations.

Fifth, while leaders and academic and technical pacesetters can be found in all areas and on all fronts in China's S&T, few of them really deserve the title of S&T leaders. What is absent is not so much academic expertise as a high level of managerial ability. Ma Dayou [7456 1129 3731], the well-known physicist, hit the nail on the head when he said, "Nowadays some leaders in the high-tech departments seem to believe that everything would be fine if only they can lay their hands on money. This is actually muddled thinking. If nothing else, it shows that they are incompetent scientific organizers."

A multitude of factors has contributed to this state of affairs: some are historical, some are current; some have to do with people's subjective understanding, some are objective conditions (such as the overall backwardness of China's science, technology, and education), some are related to the S&T system, and others have to do with the way we turn out qualified people. A particularly important factor is that colleges and universities are not turning out the kind of qualified people that would become S&T leaders. As the training ground of advanced specialists, universities, particularly universities of science and engineering, should no doubt be the cradle of S&T leaders as well.

### 3. Some Proposals for the Development of S&T Leaders

Marx said, "Every society has its own giants. If it does not have them, it must create them." Since China, being at a period of taking a giant leap, has a desperate need for hundreds upon thousands of S&T leaders, we must "create" them.

Mencius said, "Gather together all people of outstanding talent under heaven and educate them." We must do more; we must "gather together all people of outstanding talent under heaven and use them." No doubt these two are the correct approaches to take to train and nurture a host of S&T leaders. Accordingly, we must begin by reforming higher education.

1) A small number of key universities of science and engineering should make the development of S&T leaders required by socialist modernization one of their primary missions. Toward that end, a model for teaching featuring a full lineup of disciplines and a comprehensive curriculum should be developed.

The S&T leaders China needs should be top-notch scientists and engineers who have faith in communism, are passionately devoted to the socialist cause, and possess all-round knowledge and abilities. A small number of key universities of science and engineering should deliberately turn out such people in accordance with a plan. Toward that end, appropriate selection and training methods should be adopted at every stage: recruitment, the undergraduate level, master's program level, doctoral program level, and postdoctorate level. In recruiting students, for instance, we must stress both basic knowledge and ability (for instance, the ability to apply knowledge creatively). At the undergraduate level, we should take pains to lay a solid foundation by offering

a comprehensive range of courses so that undergraduate education imparts a good mix of knowledge combining science with engineering and management, and arts with science. Also to be stressed in undergraduate education is the development of ability. At the master's degree level, the objective should be to reinforce professional expertise and offer basic training in scientific research, and turn students into specialists in a particular field. In the doctoral stage, the individual takes up a specific scientific research project as a way of becoming a scientific researcher at an advanced level. In the postdoctoral stage, he engages in research in a key national scientific research project under the guidance of a famous scientist and is put in charge of the management of scientific research within a specified area. Beginning at the postgraduate level, we should take special care to train those young people who have a sharp mind, a keen insight, and good organizational abilities, in addition to being highly learned. The reason is that only this type of person can evolve into the S&T leader of the future.

To train these S&T leaders, as well as meet China's urgent need for large numbers of well-rounded S&T personnel, China's leading universities of science and engineering and colleges of engineering must revise their concept of education, establish new educational ideals, and transform what used to be a simple university of science and engineering (particularly college of engineering) into a new type of university that combines science and engineering with the humanities, social sciences, and management in order to offer a full lineup of disciplines and courses, enabling the student to acquire a comprehensive body of knowledge and a full range of skills. When it comes to the training of graduate students, particularly at the doctoral level, universities must make courses on the organization and management of scientific research a requirement. These courses will be of special relevance to them. In the great scientific era, becoming comprehensive is the dominant trend in the development of scientific and engineering education today as well as in the development of S&T itself. Without becoming comprehensive, the university of science and engineering will not be able to turn out people that are up to standard, let alone S&T leaders.

In training S&T leaders, we also must take pains not to favor any particular discipline. The need to train and nurture S&T leaders applies to every discipline. Also, we must not limit the movement of outstanding individuals. Instead, as part of an all-out effort to optimize the mix of China's corps of S&T leaders in the not too distant future, we should encourage some of them to switch to fledgling, interdisciplinary, and marginal areas where there is an acute shortage of S&T leaders, but whose development is central to China's S&T future.

2) The state should set up an advanced level university or college for S&T organization and management to train advanced-level S&T managerial scientists, including S&T leaders, using the continuing education format.

Qian Xuesen has noted many times that the organization and management of scientific research is a piece of systems engineering, specifically, scientific research systems engineering. He said, "The organizational and managerial scientists and systems engineers we need will absolutely not be fewer in number or lower in quality than the natural scientists or the ordinary engineers." "Judging from the future development of S&T research in China, the number of managerial and organizational personnel in our corps of scientific researchers will far exceed one million in the next century." Therefore, he has proposed "the creation of a type of institution of higher education that integrates science with engineering and nurtures S&T personnel skilled in organization and management." The proposal of this world-renowned scientist cannot be ignored. In our opinion, a school or department of S&T management should be set up at every university of science and engineering in order to train a huge number of rank-and-file managerial cadres for scientific research. Furthermore, China should set up at least one advanced-level institution—a national university (college) for S&T management—modeled on the National Defense University, that will devote itself to the training of senior scientific research managerial personnel. Given the characteristics and quality of S&T leaders, it will take more than an academic education to train them. Enrollees in the national university of S&T management should be selected from among working scientists and engineers with a PhD and significant accomplishments in S&T and who have demonstrated through practice a formidable talent for organization and management. Since its students are working scientists and engineers, the national university of S&T management should train S&T leaders using the continuing education format.

3) The chief method of training S&T leaders is to boldly put them through the practice of S&T modernization and expose them to the larger environment of global S&T development.

Addressing the national S&T work conference, Comrade Deng Xiaoping said, "Create an environment where top-notch people can demonstrate their talents." The environment for "practice," an "open environment," we say, is precisely such an environment.

Surveying S&T leaders at home and abroad, we can hardly find anyone whose training took place entirely in academia, as all of them have emerged from a long period of actual work in scientific research. To a certain extent, they were born of the needs of research, development, and experimental work. Therefore, we must boldly let them be the technical leaders of major national or

local scientific research projects, giving them responsibilities as well as power so that they can fully utilize their creative abilities. Only by putting them through the mill can we harvest a crop of S&T leaders worthy of the name. When Oppenheimer was first entrusted with the "Manhattan Project," he imagined that it would take only 30 scientists or so to put together an atomic bomb. Only when the project was under way did he gradually mature in many respects. Our own Qian Xuesen, Qian Sanqiong [6929 0005 1730], and Yuan Longping [5913 7127 1627] also became leaders after the completion of their research missions rather than arrived at an important job already established as leaders. In training S&T leaders, therefore, we must adhere to the principle of practice. In other words, we must look for S&T leaders from among those who have completed a major national S&T project. We should take special steps to give priority to the training of new leaders with exceptional promise so as to speed up their maturation. As Comrade Deng Xiaoping said, "Build them a lighter ladder so that they can climb it by skipping a rung or two." The only way to turn them into the S&T leaders so badly needed in modernization is to boldly give them major responsibilities and improve them by means of continuing education, founded on practice.

Seldom has a scientist, Chinese or foreign, become a S&T leader in a closed environment. Whether the aim is to turn out a first-rate scientist or a first-rate manager, we must nurture the S&T leader in an open international environment. This is particularly true for a country like China where science, technology, and education are relatively backward. Nankai Mathematics Institute, headed by Prof. Chen Shengshen [7115 4164 6500], the world-famous mathematician, hosts an annual meeting each year to study a particular topic, attended by first-rate scholars from all over China and around the world. There are seminars, lectures, and academic exchanges in order to find research orientation, develop young talent, and search for a way that would help to make China a mathematics power quickly. The meetings are lively and full of promise. Therefore we must firmly continue the practice of sending students and visiting scholars overseas so that we can do a better job in ideological education. In particular, we must give potential S&T leaders plenty of opportunity to go to advanced nations as visiting scholars and to observe and study; we must simplify their exit examination and approval procedures, and encourage them to interact with world-famous scientists and organizational and managerial experts and absorb advanced foreign S&T and management.

The times are calling for S&T leaders. In the midst of socialist modernization, China has a special need for S&T leaders. We should put the training of S&T leaders on the agenda in a serious way.

### Survival Training of Shandong Unit Described

92CM0377B Beijing JIEFANGJUN HUABAO [PLA PICTORIAL] in Chinese No 5, 1 May 92 p 24

[Selected entries from a fighter's diary: "Seven Days on an Isolated Island—Glimpses of Field Survival Training of the Yantai Garrison Amphibious Reconnaissance Team"]

[Text]

#### 23 October

Beginning from 0300 hours, we successfully accomplished our combat mission of a surprise attack on Douluan Island. After that, we moved to Jia Island to begin 7-day field survival training. The life-support items carried by each person include only 0.75 kilograms of fresh water, 0.75 kilograms of rice, 4 liang of alcohol, a metal lunch box, a fishing hook, and 6 meters of fishing line. We really are not sure how to spend 7 days on this isolated island.

#### 24 October

Sea slugs, jellyfish, crabs, and oysters, delicious delicacies under normal circumstances, now taste very bad because they are cooked without seasonings. But we still forced ourselves to eat a lot of them. Some of the fighters caught a few fish. Boiled in seawater, they had a bitter and astringent taste, making them hard to swallow. The platoon leader had a better idea: to roast the fish. Indeed, they tasted much better.

#### 25 October

All the fresh water we brought had been consumed, and we were very worried. Water is too important for survival. Luckily the comrades of the 5th Squad thought of a way to get fresh water: Seawater is put to a boil in a lunch box, which is covered with a towel, and the steam absorbed by the towel is then wrung out. We call it the "seawater desalination project."

#### 26 October

We have eaten almost all the edible things on the island. Because of strong winds and choppy seas, we couldn't catch any fish. Led by our squad leader, we caught several snakes. Our entire squad had a dinner party, and it was delicious. Even those who normally are afraid of snakes ate with great relish.

#### 27 October

Today the team commander suddenly announced that the team would be broken up into small groups of three or four persons and sent to different large and small islands for further tempering of the fighters' will power. Four of us have been sent to an isolated island only 0.15 square kilometers in area.

#### 28 October

Last night, the wind was very strong, and the temperature dropped very low. Because we were also hungry, we felt even more cold. We found a sheltered place and dug a small hole in the sand. The four of us crowded into it and waited for daybreak.

#### 29 October

Today is the last and hardest day of our survival training. Many people's lips have cracked due to dryness, and their faces have thinned. Having used up everything we brought, we began cracking oysters on the reefs and eating the raw meat. The taste will be remembered all the rest of our lives. In the evening, when the sky was aglow with the light of the setting sun, we left the isolated island, filled with the great lessons we had learned in the past 7 days.

### Shandong Reconnaissance Unit Training Described

92CM0377A Beijing BINGQI ZHISHI [ORDNANCE KNOWLEDGE] in Chinese No 3, 15 May 92 pp 17-18

[Article by Li Jie (2621 2638): "A Visit to a Secret Amphibious Reconnaissance Training Camp"]

[Text] The amphibious reconnaissance units have always been shrouded in mystery. Clad in blue camouflage uniforms, members of these special units are all agile, fearless, and extremely vigorous fighters, highly skilled in battle and able to do almost anything. They are hailed by people as "soldiers of soldiers." How are such "miraculous soldiers" trained? What unmatched skills do they actually have? With curiosity, the writer drove to a reconnaissance force training base, which is little known to the public.

Located somewhere in the wide expanse of the North China plain, the special amphibious reconnaissance training base is a place covered by fragrant grass and fruit trees. Yet in this "peaceful haven" are gathered the very best members of the reconnaissance units from the Navy's East, North, and South Sea Fleets.

#### Strong Bodies and Superb Martial Arts

Here the writer had the fortune to watch an entirely new form of war exercise. The "enemy" launched a fierce attack on "our" position, opening fire with light and heavy machine guns and artillery pieces. Instantly "our" position was covered by thick smoke and a roaring fire, but "our" soldiers made no move. The "enemy" thought that they had won the first battle and began to relax their vigilance. Suddenly many reconnaissance troops in their blue camouflage uniforms jumped up from the ground and pounced like tigers at the "enemy soldiers" downhill. Some "enemy soldiers" were taken prisoner before they could pick up their guns. "Our" troops then advanced quickly along several routes, taking advantage of the terrain and surface features and moving over

barbed wire entanglements, trenches, and other obstacles, and pushed deeply into the enemy positions....

"Hey! Hey!" The guns had just stopped roaring out there when attention was drawn to shouts nearby. Two extremely strong and agile young fellows were fighting fiercely with each other. Flying fists in red boxing gloves and legs kicking, they exchanged accurate and powerful blows. Both fought with all their power and skill, and it was hard to tell who was gaining the upper hand. Suddenly one of them received a heavy kick from the other, staggered a couple of steps, and fell, but before the spectators realized what had happened, he sprang back to his feet, and the fight resumed.

Splitting bricks with bare hands is just a common skill for the amphibious reconnaissance men. There the men spread out in several rows. They take a short breath and, with a loud cry, each strikes a pile of four bricks with bare hands. The four bricks are split neatly into eight pieces as if chopped by a knife. The most impressive and incredible performance, however, was the "sledge hammer blow on the head." The name alone is enough to give people the goose bumps. A man standing on a platform swung a sledge hammer and with all his might brought it down on four bricks piled on top of another soldier's head. The four bricks were broken into pieces by the blow, but the soldier remained unharmed without batting an eye and showing no fear. The amphibious reconnaissance men not only have this unique ability with their heads, but have also trained hard in the martial art known as the "luo han gong," which enables them to take blows to any part of their body. To demonstrate, the men were hit hard with a wooden stool on their chest, back, sides, and abdomen, but no one even frowned. It is said that "luo han gong" was originally taught by the master Hai Deng of the Shaolin Temple.

### **The Women Are as Tough as the Men**

The amphibious reconnaissance units are not dominated by men. Women also shake heaven and earth here, and there is plenty of room for them to play an active role.

Her name is Tang Wei and she is only 21 years old. Though thin, small, and seemingly fragile, she is tough and never takes defeat lying down. On the training ground, she forgets completely that she is a woman. Even the tall and big men admit that they cannot match her death-defying spirit. The writer asked her: Don't you feel tired with all the very intensive training? She answered very frankly: Yes, I feel tired, but I want to compete with the men, and I don't believe that I cannot endure as much as they do. At the beginning of her training, little Tang Wei, who was not a robust person to begin with, felt totally exhausted at the end of each day, sometimes even having difficulty getting into bed. After more than 40 days of hard training, she lost more than 20 pounds, became badly sun burned, but successfully completed the same training course as the men. An experienced staff officer told the writer: This time the special training

was short in duration, but covered more subjects. The trainees must learn to crawl in four ways (low crawl, high crawl, crawl on one's side, and high crawl on one's side), lie down in three ways (lying on one's left side, lying on one's right side, and lying back on one's side), roll forward, and leap forward. They must also master the use of various light and heavy weapons and the maneuvering of assault boats. Of course, the hardest tests are the uninterrupted 300-meter tactical movements and the 5,000-meter cross-country march in full battle gear. Little Tang Wei was suffering from acute appendicitis, yet she took some shots and medication and completed the march without falling one step behind, carrying her submachine gun, hand grenades, shell clips, field pack, canteen, and other items. What will power!

### **Strict Discipline and Tough Work Style**

It is often said that the armed forces must have iron discipline and a tough work style. With a very special mission, the amphibious reconnaissance units must pay attention to constantly cultivating their discipline and work style to insure boldness, tenacity, and precision on the battlefield or training ground. Otherwise, they might bungle chances of winning battles and even make serious mistakes. Therefore, the amphibious reconnaissance units are more disciplined and tenacious than other units of the armed forces in general.

A minor thing that occurred on the training ground has remained unforgettable to the writer. When the training exercise proceeded to the last item, the fall down skill (either forward or backward), the ground was still littered with pieces of broken bricks and glass, which could be regarded as another cruel test to the soldiers. Whether falling forward or backward, the soldiers, with bodies weighing more than 100 pounds, could get seriously hurt. I could not breathe out of anxiety over their safety. But they did not flinch. When orders were given, they performed the action at the designated place in an orderly way.

The sun was setting, and the clouds turned red. When we reluctantly left those deeply suntanned crack troops, we felt a sense of loss. On our way home, we learned that this reconnaissance unit was soon to move to a new training base to take part in a larger and more difficult war exercise in coordination with fraternal units of other branches and services. We wish them success in scaling new heights in their difficult training.

### **Lanzhou Commander on Militia Performance Criteria**

92CM0345A Yinchuan NINGXIA RIBAO in Chinese  
17 Jun 92 p 2

[Article by Chen Chao (7115 6389), Lanzhou Military Region Deputy Commander; "The 'Three Implementations' Will Forever Be the Standard and the Guide for Militia Work. Thirtieth Anniversary of Comrade Mao

Zedong's Issuance of Instructions for the 'Three Implementations' in Militia Work"]

[Text] When Comrade Mao Zedong received leaders of the Guangzhou Military Region in Wuhan on 19 June 1962 during an inspection of the south central region, he focused on some failures of implementation in the work of some grass-roots militia units, and he issued an important instruction on "the need in militia work for organizational implementation, political implementation, and military implementation." This instruction scientifically summarized basic experiences in militia work, profoundly analyzed the basic contradictions in militia work, epitomized the basic substance and requirements of militia work, and delineated the objective laws of militia work. During the past 30 years, the 'three implementations' instruction has struck a chord in the hearts of the people for the people's armed police front. It has become the standard and main requirement for the conduct of militia work at all levels in people's armed police organs. Under the glorious guidance of this instruction, militia work has developed in a healthy way, advanced with giant strides, and scored internationally notable achievements.

The "three implementations" are a scientific conclusion derived through the test of practice. The "three implementations" instructions permeate the ideological line of seeking truth in facts. They epitomize the basic substance of militia work in organizational, political, and military affairs; and they make "implementation" the criterion for judging militia work. This is a correct conclusion of Comrade Mao Zedong based on the basic characteristic of the militia as a mass armed organization that is not divorced from production. Following issuance of the "three implementations" instruction, different perceptions and contentions arose about the correlation among the "three implementations." Addressing this issue, Comrade Mao Zedong explicitly stated in 1964 that "in the militia, organization is of primary importance; politics is second, and military matters are third. Of greatest importance is the existence of the militia; then politics can be given attention." He also repeatedly emphasized the need for doing a good job in organizing squads, platoons, companies, and battalions, and the need for good cadres. These instructions established scientifically correct standards for militia work, and pointed out the direction of advance. In 1988, after the Military Commission called for combat strength to be the standard in the building of the armed forces, different perceptions on the standards for militia work appeared once again. In order to unify the people's ideological understanding and guide development of militia work in a correct direction, the Military Commission reiterated that "militia work should take as its standard the 'three implementations'" and "being ready to assemble at the first call, and being capable of fighting and winning," which Chairman Mao Zedong had put forth. So long as the militia is developed with great attention to the standard of the "three implementations," militia organization will be pure and solid, and militia forces will develop and strengthen.

The "three implementations" are an interrelated and inseparable organic whole. Comrade Mao Zedong always devoted serious attention to the building of an organizationally, politically, and militarily strong mass people's armed police organization. He believed that militia work is the unity of organizational work, political work, and military work. Organizational implementation is the foundation for political and military implementation. Without organization, the militia will exist only in name, and no basis will exist for talking about the political and the military aspects of the militia. Political implementation provides support for the organizational and military aspects. It has a bearing on the party's absolute leadership of the militia; and it has a bearing on the character of the militia, as well as its survival and development. The militia's military aspects are the fundamental goal of the organizational and political aspects. As an integral part of the "three-in-one combination" of armed forces, the militia's basic function is the execution of military tasks, using military means to realize the political goals of the party and the state. Only good military performance can protect the dual functions that the militia performs in opposing foreign aggression and safeguarding the people's peaceful labor, and in preventing internal disturbances and maintaining national stability.

The "three implementations" will forever be the standard and guide for practice of militia work. As the activities of the militia constantly move, change, and develop, the three implementations standard, which serves as the process and result of the linking of theory and practice, must be constantly enriched and developed as new social practice and new circumstances and needs dictate. However, as a theoretical distillation of practical experience, and as something that reflects the character and pattern of militia work, the three implementation standard is also quite pertinent and consistent. Thirty years have passed during which both historical conditions and the objective environment have changed, but Comrade Mao Zedong's basic point of view on the "three implementations" in militia work remains bright and shining.

The history of advances in militia work during the past 30 years, and particularly the rich experiences gained in the building and reform of the militia since the Third Plenary Session of the 11th Party Central Committee, permit a vast increase in our understanding of both the importance and the laws that govern militia work. It provides a more profound sense of the extreme importance of maintaining the "three implementations" standard in militia work. In the building of a powerful national defense reserve force, the militia has both long-term strategic tasks and urgent current tasks to perform. At the present time, our nation is undertaking the magnificent task of building a distinctively Chinese brand of socialism that provides greater and greater material conditions for the building of reserve forces for national defense. The CPC Central Committee and Central Military Affairs Commission have prescribed

the guiding thought, the policy principles, the long-range goals and the main tasks for militia work during this new era. They have pointed the direction for building a powerful national defense reserve force. The overall political policy is set; the key lies in implementing it.

A summarization of the past and a look at the future. Now that the country is accelerating the pace of economic construction and reducing its standing army, militia work must be further improved and the quality of the militia raised in accordance with the "three implementations" for the purpose of laying a foundation for future people's war and to "provide a convoy" for economic construction.

First, the long-term and current significance of militia building must be correctly understood. The immortal deeds of the militia in the revolutionary war are generally acknowledged throughout the world, but disparate views exist about its position and role in a people's war under modern conditions. Some people who suppose that certain high technology weapons will play an important role in any war categorically believe that Mao Zedong's thought on people's war and its strategy and tactics are passe; the militia is no longer effective. True, weaponry is an important factor in victory or defeat in warfare, but as a decisive factor in victory or defeat in people's war, no high technology weapon can replace the role of people. Weapons cannot change the basic law that people, not things, decide victory or defeat in warfare. Maintenance of the militia system is a basic national policy of China, and the conduct of people's war is the our party's fundamental guiding line for warfare. In any future war to counter aggression, we must rely on the use of inferior equipment to deal with an enemy that has superior equipment. We must use the basic advantages of people's war, use the full power of the three-in-one combination of armed forces, and use the important role of the militia in taking part in and supporting warfare. In addition, under the new circumstances of accelerated reform and opening to the outside world in the building of the national economy, the militia carry the sacred mission of resisting subversion, opposing infiltration, halting disturbances, and maintaining the security and stability of the nation. We must fully appreciate the strategic position and role of the militia, paying close attention to and intensifying militia work.

Second, we must focus on long-term development, concentrating efforts on the basic building of an overall and fundamental nature. Basic building of the militia includes both "hardware" and "intangibles." The building of militia weapons reserves, training bases, weapons depots, reference rooms, and battalion and company headquarters form the basic locations and material conditions for military training, strategic duties, and the activities of the militia. The building of intangibles such as militia work regulations, laws, and theories are important elements in the standardization and direction of real activities in militia work, and for giving impetus to the development of militia work. Good performance in this basic building, which has an overall,

basic, and long-range effect, will permit the maintenance of reserve strength for militia work, and the sustained and stable development of the militia. Favorable current opportunities must be sized to improve militia weapons and equipment further, to increase the building of additional facilities at training bases and manage their use, and to do a good job of building basic facilities such as occupational specialist troop reserve bases and training centers, thereby laying the material foundation for the long-term development of the militia. All regulations pertaining to militia work must be perfected, theoretical research and direction intensified, and the healthy development of militia work supported.

Third, unflagging and solid attention to the building of the militia at the grassroots level must be maintained. Only by doing a good job of building township, village, factory, and mine militia companies (and battalions) and people's armed police units in township (and town), and enterprise units, and a good job of building core militia members, militia cadres, and a people's armed police cadre corps can the building of the militia rest on a solid foundation, and militia work be infused with vigor and vitality. Units at all levels must relate theory to realities, forge close links with the masses, and become involved in the front lines of military work. They should particularly become closely involved with the basic units located in border areas, hardship areas, and minority nationality areas, doing concrete things that help provide direction, dissipate worries, and resolve difficulties. The building of the grass-roots is by no means something that can be accomplished overnight. Work that has been done may have to be redone. It is necessary to constantly pay unflagging attention and persevere.

Fourth is the need to improve leadership style and methods, using science to increase substantive results. Leaders and organizations at all levels must have a spirit that spurs them to advance and a work style that emphasizes doing a solid job and working hard. They must be adept at doing innovative work in linking the Central Committee's line, plans and policies with local realities, and strive to raise both the quality of the leaders and work efficiency. They must make a personal commitment, have a high sense of responsibility, a scientific attitude, and a strict work style, and they must work in a highly effective manner. They must be able to suit general circumstances to specific situations, provide tailored guidance, and highlight the special character of individual areas. They must emphasize key points, grasp what is crucial, and build and develop according to plan by stages and in increments. We must train a large number of advanced models who can stimulate, set an example for, and provide guidance to the broad masses of militia, militia cadres, people's armed police cadres, and leading organs at all levels, so that militia work will be inspired by meritorious deeds and influenced by advanced ideology, everyone thereby seeing virtues and trying to emulate them for the formation of a lively situation of striving for excellence and competition to get ahead.

Fifth is the need for greater subordination to the overall requirements of economic construction, and full use to be made of the militia's role in reform and opening to the outside world. Subordination to the overall requirements of economic construction is a basic guiding thought in militia work. Today, when the country is hastening the pace of economic construction, it is even more necessary to put this guiding thought into effect as in the past so that the broad masses of militia actively commit themselves to the magnificent practice of reform. In addition to planning militia work in an overall way to do a good in building up the militia itself, people's armed police units at all levels must actively lead the broad masses of militia in supporting and taking part in reform. Urban militia must concentrate on the invigoration of large and medium-size state-owned enterprises, on improving economic returns, and on the vigorous conduct of technological innovation, and activities that increase output and create earnings to advance the development of enterprises. Rural and pastoral region militia must take the lead in using science and

technology to make agriculture and animal husbandry flourish, in using science in farming and raising livestock, and in becoming construction enterprises that take part in an organized way in national and local government transportation, water conservancy, mining, and energy projects so as to bring about the speedier development of the national economy. The militia must be actively organized to coordinate with public security units in safeguarding production, the living routine, and social order at factories and mines. They must create a safe and stable social environment for economic construction and for reform and opening to the outside world. The role of the militia as models in the building of spiritual civilization must be used to the fullest. The broad masses of militia must be led in the study of Lei Feng to inculcate a new style and build a civilized and healthy way of life. Full use of the role of the militia, tempering of the militia corps, and consolidation of militia organization must be used to improve militia quality to spur the complete implementation of militia work.

## East Region

**Jiangsu Governor Urges Linking Education, Economy**

*OW2208075092 Nanjing Jiangsu People's Radio Network in Mandarin 1015 GMT 21 Aug 92*

[From the "News" program]

[Text] Governor Chen Huanyou pointed out at a provincial meeting on educational work today that education, as a foundation for economic and social development, should be developed rapidly ahead of economic and social development in the course of deepened reform.

Chen Huanyou said: For a while, educational development and reform should be carried out for the sake of economic construction, which is the central task. As the economic structure is undergoing a major change at present, educational reform must keep pace with economic restructuring, so that education adapts to the changes in the economic base.

He pointed out: We should change the pattern of education being divorced from economic development, make education serve economic construction, abolish the highly centralized educational administrative system, and establish a new educational mechanism for the development of the socialist market economy. We should change the practice of running schools solely by the government and rely on the general public to run schools. We should change the closed educational system and open our education wider to the outside world.

Chen Huanyou pointed out: Education is an undertaking for the people. To make our education reassure and satisfy the people, we should adhere to the party's educational policy, improve the quality of education, enhance the efficiency of schooling, optimize the educational structure and the faculty-student ratio, pay great attention to school management, and train more teachers.

In conclusion, Chen Huanyou emphasized: This province has an arduous educational development and reform task. To accomplish the task, concerted efforts must be made by all comrades on the educational front, the leaders at all levels, all the departments concerned, and the broad masses of cadres and people in the province. It is necessary to work creatively, perform actual deeds, adopt effective measures, and accomplish all educational tasks, so as to raise our educational work to a higher level.

The meeting was convened by the provincial party committee and the provincial government. Responsible comrades of the province Sun Jiazheng, Gao Dezheng, Zhou Ze, Li Zhizhong, Wu Xijun, (Xiong Xinde) and (Zhang Chenghuan) attended the meeting. Teng Teng, vice minister of the State Education Commission, attended the meeting and delivered an important speech.

## Central-South Region

**Guangzhou Party Secretary on "Four Little Dragons"**

*92CE0595A Hong Kong CHING CHI TAO PAO [ECONOMIC REPORTER] in Chinese No 2271, 1 Jun 92 pp 8-10*

[Article by reporters Huang Tung-fu (7806 2639 1381) and Hou Wen-fang (0186 2429 6078): "How Will Guangzhou Catch Up to Asia's 'Four Little Dragons' In Approximately 15 Years?—A Special Interview With Guangzhou Party Committee Secretary Gao Siren" (7559 4358 0088)]

[Text] During his tour of South China, Deng Xiaoping said he hoped that Guangdong Province would catch up to the moderately well-developed Asian nations in 20 years. Guangzhou City is South China's largest political, economic, and cultural center and provincial capital city. It aims to take the lead in realizing this magnificent goal, and the city's decisionmakers have boldly proposed to overtake Asia's "four little dragons" in 15 years or so and have announced their "Thirty Decisions To Further Deepen the Reform and Expand the Scope of Opening Up." This has attracted much attention, and the reporters have sought a special interview with Guangzhou City Party Committee Secretary Gao Siren on the subject. The following are highlights of the interview.

**Where Does Guangzhou Lag Behind?**

Reporters: *Guangzhou wants to overtake Asia's "four little dragons" in 15 years or so. What specifically are your criteria?*

[Gao] Catching up with the "four little dragons" means catching up with their overall economic and social standards. When setting our goals, we must have economic development as well as social development goals, and we should also include spiritual and cultural constructions. Overall, there are 10 criteria we can use to gauge ourselves: 1) The per capita GNP—it should increase by more than 11 percent a year; 2) the shares of the three main industries—the tertiary industry should grow more than 14 percent a year to increase its share in the GNP to more than 60 percent; 3) GNP per unit of energy and raw material consumption; 4) foreign export value—it should increase by more than 15 percent a year, so as to raise the total export value as a percentage of the GDP to over 40 percent; 5) technological progress—it should account for 60-65 percent of economic growth, compared to 21 percent today; 6) the living standard (income standard, cost of living, consumption-mix, quality of consumption, and per capita living area)—per capita annual income should increase from today's 2,600 yuan to 9,000 yuan, increasing by 8.6 percent a year; the per capita living area should increase to 12 sq m while increasing the tree-covering of urban developed area to more than 25 percent; 7) increase the telephone ownership rate to 69 per 100 people and per

capita electricity installation capacity to over 1 kilowatt; 8) increase the proportion of roads per 100 sq km urban area to 60 km; 9) significant development in educational undertakings—primary school enrollment should reach 100 percent; middle school enrollment should surpass 80 percent; college enrollment should surpass 15 percent, increasing the number of people with higher than senior middle school education to more than 30 percent of the total population; 10) population life span, urban construction, and environmental protection.

Compared to Asia's "four little dragons" Guangzhou lags behind in the following four main areas:

1. Take the 1990 per capita GNP for example. Guangzhou City's GNP was \$25,568 million, or \$4,334 per capita, which came to 48.3 percent of the average per capita GNP of Asia's "four little dragons" during the same period (Hong Kong, at \$15,661, was the highest, and South Korea, at \$6,720, was the lowest; the average figure for Asia's "four little dragons" was \$8,981). Guangzhou's per capita GNP was less than half of the "four little dragons" average per capita GNP in the same period.

2. From the point of the industrial structure, granted, Guangzhou's tertiary industry plays a bigger role in the economy compared to any other major city in the mainland, but compared to Asia's "four little dragons," its tertiary industry's share still lags far behind. Take 1988 for example. The tertiary industry accounted for 70 percent of the economy in Hong Kong and 61 percent in Singapore while accounting for only 49 percent in Guangzhou (at that time, the primary industry accounted for 8 percent, and the secondary industry, the most important, accounted for 42 percent of Guangzhou's economy).

From the point of the structure of the tertiary industry, Guangzhou also lags behind Asia's "four little dragons." Primarily, the volume of commodity circulation in Guangzhou lags far behind that of the "four little dragons."

3. Guangzhou City's social development and urban management standards lag far behind the "four little dragons."

With respect to education, although Guangzhou's universal nine-year compulsory education rate has reached 97.5 percent, the number of people with a college education and above as a percentage of the total population is lower than in Hong Kong and Singapore. For example, by 1985, 5.3 percent of Singapore's total population had college educations and above, but it was not until 1989 that 5.5 percent of Guangzhou's population attained that level of education; the difference was almost four years. Asia's "four little dragons" put relatively heavy emphasis on vocational education. In Singapore, modern industrial technology courses are offered from primary school on through college. But Guangzhou's students lack this kind of knowledge.

With respect to urban construction, in 1991, Guangzhou's per capita living area was 8.23 sq m, compared to 15 sq m in Singapore; Guangzhou's telephone ownership rate was 12.3 sets per 100 people, compared to 52.2 sets in Hong Kong and 51.9 sets in Singapore. Both Hong Kong and Singapore have fairly well-developed urban infrastructure, but Guangzhou is relatively deficient in this area. Both Hong Kong and Singapore are tiny cities, but they are very well-kept. This not only has to do with the urban infrastructure but, more important, it has to do with urban management standards and the quality of the citizens.

### The Favorable and Unfavorable Factors

*Reporters: In recent years, some of the cities and counties in the Zhujiang Delta have undergone rapid development. Some people say that Guangzhou's role and function as central city have diminished. Will this become an unfavorable factor in its effort to catch up to Asia's "four little dragons"?*

Gao: Guangzhou is an old city, a big city. History has left it with some fairly heavy burdens, especially financial burdens. In 1991, Guangzhou generated 4 billion yuan in revenues and handed 2.5 billion yuan over to the state. No other cities and counties in the Zhujiang Delta came close. But Guangzhou, an old city, also has many pressing problems, and its citizens also have high expectations. Moreover, since the mid 1980's, Guangzhou has gradually become an aging society. In terms of its population structure, old people now make up 12.7 percent of its total population, compared to less than 10 percent for the cities and counties in the Zhujiang Delta. This makes it a little more difficult for Guangzhou to increase its per capita GNP.

Despite the above-described disparities and unfavorable factors, Guangzhou is still South China's largest political, economic, and cultural center. It is the transportation hub, commodity collection, and distribution center. It is also one of the nation's most important foreign trade centers. Its tertiary industry is capable of producing an impact both in the domestic and the foreign markets and has a fairly high input-output ratio. Relatively speaking it is in better position than the cities and counties in the Zhujiang Delta to catch up to Asia's "four little dragons" in 15 years or so to become an international urban hub. Of course, Zhujiang Delta's burgeoning cities and counties are less encumbered by the product economy and its operating mechanisms; their policies are more flexible, and their economy can grow fairly rapidly. Thus it is even more important that Guangzhou further liberates its thinkings. I do not believe that Guangzhou's role and function as central city is being undermined. I am still confident that Guangzhou can overtake the "four little dragons" in about 15 years.

**Bases for Believing That Guangzhou Can Catch Up in 15 Years**

Reporters: *Is there any basis for believing that Guangzhou can catch up to Asia's "four little dragons" in 15 years in terms of the per capita GNP?*

Gao: During Comrade Deng Xiaoping's tour of South China, he asked that Guangdong catch up with Asia's "four little dragons" in 20 years. But economic development is uneven in Guangdong. The coastal areas are economically stronger and are developing faster, but the mountain areas of eastern, western, and northern Guangdong are not as strong economically and have been developing at a slower pace. As the central city and a coastal city, Guangzhou should take the lead.

It is estimated that in terms of future economic growth, Guangzhou's per capita GNP will increase 12.9 percent a year, and it is also estimated that during the same period, the "four little dragons" per capita GNP will increase at an average rate of about 7 percent a year. If these estimates are reasonable and correct, at this rate of growth, Guangzhou will certainly be able to overtake Asia's "four little dragons" in 15 years. In the last 10 years, Guangzhou's per capita GNP has been increasing at an average rate of 11.8 percent a year. In the future, we only have to increase that by 1.1 percent. This is entirely possible, because:

First, after 13 years of reform and opening up, Guangzhou has gained tremendous economic strength and has laid a solid material and technological foundation. In 1991, Guangzhou's GNP topped 38.679 billion yuan, ranking third among the nation's 10 largest cities. Its foreign export value topped 1.84 billion yuan, ranking first among cities of its rank. Furthermore, its urban infrastructure has improved significantly in the last 10 years. In terms of industry, some large-scale productive projects developed under the Eighth Five-Year Plan have gone into production in succession, and the technological transformation of old enterprises has picked up speed. The three "chariots" of urban industry, township industry, and neighborhood industry are keeping abreast of one another.

Second, we have fairly broad channels for gathering funds. It is estimated that in the next 15 years, if Guangzhou is to sustain 12.9 percent annual rate of growth in per capita GNP, it must increase the rate of fund-gathering by as much as 14.6 percent a year. Where will this huge sum of capital come from? We cannot just depend on the banks or the government. Instead we must rely on the people and tap potentials everywhere. Currently, Guangzhou has a 16 billion yuan deposit-loan difference which can be put to full use. We can gather funds through land transfer, real estate sales, and the sale of stocks and bonds. In other words, by restructuring the financial system and enlivening the financial market, we can add new channels to raise capital, and we can also vigorously attract foreign investments. In the past, Guangzhou did not allow foreign investors to invest in real estate development, construction, or commerce and

other trades. In the future, they will be open to foreign investors, and the much needed capital will in essence be guaranteed.

Third, we must rely on technological progress to develop the economy and improve the quality of the people. With respect to scientific and technological vitalization, Guangzhou has greater potential than the cities and counties in the Zhujiang Delta. Today, Guangzhou's scientific and technological progress contributes less than 30 percent to the increase in the GNP. It is hoped that its contribution will increase to around 50 percent during the "Eighth 5-Year Plan" period, and by early next century, it will reach 60 or even 70 percent. We must strive for greater output with less input and make technological progress a more important ingredient.

In short, with 13 years of reform and opening up as our foundation, and with the central government's continued implementation of special policies and flexible measures toward Guangdong, if we bring all positive factors into full play, our goal can be accomplished if we work hard.

Reporters: *What kind of problems do you anticipate as Guangzhou tries to catch up to Asia's "four little dragons" in 15 years?*

Gao: The problems fall into three areas:

First, the question of market capacity. If in the next 15 years Guangzhou is to develop at a rate of 12.9 percent a year as discussed earlier, in 15 years, Guangzhou's GVIO will top 270 billion yuan. The question then will be, where will we find the markets? As the interior provinces' industries develop, the local markets will gradually be captured by local products. Guangzhou's industrial output will face increasing competition. Developing foreign markets will be even more difficult. Thus Guangzhou must produce higher grade and better quality products. Only by producing good and inexpensive products and first rate products by international standards can we compete in the international and domestic markets. Today, unlike the well-developed nations and regions, we do not yet have stable markets. This is our problem but is also a potential for future development.

Second, the question of what our infrastructure can support. For decades Guangzhou's urban infrastructure has developed rather slowly. It was not until the last 10 years or so that the pace of development began to pick up, but things still fall far short of what our current economic development needs. Energy resources, telecommunications, and transportation have already become obstacles to Guangzhou's economic development. If there is no accelerated development in the above-mentioned infrastructure, it will be but empty words to say that Guangzhou will catch up to Asia's "four little dragons" in 15 years. To accelerate the development of the infrastructure, we will again run into the problem of raising the large sums of capital. The guarantee of capital we talked about earlier refers only to

the overall situation. Investment in energy and communications is long-term investment; it is major investment with a long payback period. But in recent years, foreign investors have begun to take an interest in investing in power plants and bridges and so on. These investments may take a long time to recoup, and the initial investment may be substantial, but once the projects are completed, they will pay back ten thousand fold.

Third, the problem in getting qualified personnel. If Guangzhou is to develop at an accelerated rate in the next 15 years, it will need many qualified workers, especially those who have technical skills and also modern management skills. This type of worker is scarce both in government administrative departments and in enterprises. Guangzhou City is already aware of the importance of this issue and has tried every means to attract more talents. It not only is recruiting workers who studied abroad but is sending people to nations of the Commonwealth of Independent States to recruit former Soviet scientists and technicians and has also developed a set of recruitment method. Meanwhile, it has also adopted effective measures to help its existing personnel solve their problems. It has handed out bonuses to the scientists and technicians, increased their wages, improved their work environment, and has mobilized their enthusiasm, giving full play to the functions of the existing scientists and technicians.

#### Specific Plans and Measures

*Reporters: Are there specific measures to help Guangzhou catch up to Asia's "four little dragons" in 15 years?*

Gao: Zhujiang Delta has its advantages and many successful experiences, but Guangzhou cannot simply imitate them. The overall quality of Guangzhou's economy is better than the cities and counties in the Zhujiang Delta and Guangzhou has more basic advantages, which also facilitate the formation of a tight industrial production zone in Guangzhou. These should be Guangzhou's characteristics.

A. Guangzhou should give play to its advantages and overall superiority and emphasize the development of five industries:

**1. High-tech light industry:** It plans to develop 10 main trades and five main products—two vehicles (Biaozhi Automobile and Five Sheep Motorcycle) and three electrical appliances (air conditioners, refrigerators, and alternators)—and also ethylene and other projects.

**2. Communications and transportation industries:** Guangzhou must accelerate the construction of railroads, highways, warehouses, and container transport and so on to extend the communications and transportation industries to the Zhujiang Delta area. Products from the Zhujiang Delta should be transported through Guangzhou.

**3. Vigorously develop the real estate and construction industries:** Currently, Guangzhou's land price is even

higher than Shenzhen's, and foreign investors are very interested in real estate development in Guangzhou. There are still large pieces of land waiting to be developed and large chunks of old city districts that need to be rebuilt. The prospects are good. Guangzhou City has already decided to utilize foreign capital to vigorously fund real estate development. In addition to allowing payment of compensation in the first-sale of land, it also allows foreign investors to engage in land development and trade land in the secondary market.

**4. Develop financial and insurance industries:** Guangzhou will bring in six foreign-invested [as published] banks (including three Chinese-invested and three foreign-invested banks) this year. Guangzhou has submitted its provisional methods on managing foreign-invested banks and is awaiting approval from the Bank of China. In addition, there will be three new insurance companies, among them, Pacific Insurance Company and Pingan Insurance Company have already been approved. Renshou Life Insurance Company is still waiting for official approval.

**5. The commodity circulation industry:** This includes the development of domestic and foreign trade and active utilization of foreign capital to create massive circulation, large markets, and large trade volume. By the year 2000, commodity circulation rate should exceed 82 percent.

We should increase the above five large industries' share in the GNP to 91 percent, compared to 69 percent in 1990, and create new enterprise zones for the automobile, motorcycle, petrochemical, and electronics industries. We hope to improve enterprise economic efficiency by readjusting enterprises' product-mix, speeding up transformation of old enterprises, and improving enterprise management standards.

B. We must change the government's functions, simplify administration and delegate authority on a broad scale, and create a good environment to facilitate Guangzhou's accelerated economic construction. We must let the market mechanisms and market regulation play a bigger role. So long as it promotes the development of the productive forces, all production and management rights that belong to enterprises should be given to enterprises to help enterprises orient toward the market. If enterprises are enlivened, there will be hope that society as a whole will become lively and prosperous.

C. We must take full advantage of the domestic and foreign markets and both capital sources to accelerate economic development.

Guangzhou City has made concrete plans to attract domestic and foreign investments on a large scale to development and build up southeastern Guangzhou to form a burgeoning secondary and tertiary industrial development zone. At the same time, it wants to give play to the Guangzhou Economic Development Zone, Tianhe High-Tech and New-Tech Industrial Development Zone, Nanzha Economic Zone, Fangcun-Dongsha

Development Zone, and Yunpu Industrial Zone as the city's windows and bridges and create a 173 sq km corridor known as the Greater Guangzhou Economic Development Zone. Between January and April of this year, Guangzhou showed strong momentum in its use of foreign capital and signed contracts worth a total of \$730 million, \$120 million of which have been put to actual use—these represent 43.8 percent increase in foreign capital utilization and 63.7 percent more contracts compared to the same period a year ago.

We must continue to strengthen the cooperation between Guangzhou and Hong Kong, Macao, and Taiwan. Guangzhou must find ways to reach across the sea and, together with Hong Kong, Macao, Taiwan, and foreign entrepreneurs, and develop diverse overseas markets.

D. We must further liberate our thinkings and adopt new ideas. On the one hand, we must boldly promote reform and accelerate the pace of opening up. In particular, we need important breakthroughs and must strive for new developments in setting up fund gathering mechanisms, enterprise management mechanisms, and mechanisms to attract talents that are compatible with the accelerated rate of economic development. On the other hand, we must not be blindly optimistic or overestimate our own abilities. We must be practical and realistic and make a solid effort to develop the economy.

### Southwest Region

#### Guizhou Government Work Report

HK0105144192 Guiyang GUIZHOU RIBAO in Chinese  
12 Mar 92 pp 1-3

[Article by Provincial Government Wang Chaowen: "Government Work Report Submitted to the Fifth Session of the Seventh Guizhou Provincial People's Congress on 25 February 1992"]

[Text] Fellow deputies:

On behalf of the provincial government, I am going to give the government work report to this congress and I request your examination of it and suggestions from members of the provincial committee of the Chinese People's Political Consultative Conference, and from other persons attending this session.

#### I. Reflect on Last Year's Work and Enhance Confidence in Reform and Development

The year 1991 was the first year for implementing the 10-Year Program and the Eighth Five-Year Plan. In the past year, led by the provincial party committee and supervised and assisted by the provincial people's congress and its standing committee, we seriously implemented the spirit of the Central Work Conference and of the Seventh and Eighth Plenary Sessions of the 13th CPC Central Committee. We carried out a series of reform measures adopted by the State Council and a

campaign for the "year of quality, variety, and efficiency," relied on the efforts of people of various nationalities in the whole province to overcome the extraordinarily big floods, overcame various difficulties in economic adjustment, and satisfactorily completed the plan for national economic and social development and the various duties of rectification and improvement. The GNP was 28.7 billion yuan (calculated at 1991 prices, the same hereafter) and national income was 23.6 billion yuan, respectively an 8.1 percent and a 7.9 percent increase over 1990. Reform and opening up were further deepened and expanded and there were new economic and social developments.

—Agriculture saw a bumper harvest and rural economic development saw a good trend. Last year, some parts of our province experienced an extraordinarily large disaster caused by floods, and agricultural production faced new difficulties. Governments at various levels always put strengthening agriculture and concentrating efforts to properly run agriculture in a primary position; they have fought the disaster and strived for bumper harvests, firmly focused on grain production, developed various operations, made use of the better weather after the floods, strengthened farmland management, implemented various scientific and technological measures to invigorate agriculture, and did a great deal of work in organizing production and arranging daily life, and scoring great results. Because policies and measures were implemented quite well and various levels strengthened leadership and because the way to develop agriculture over the past several years was clear, water conservancy projects were gradually improved and many channels were used to increase income and, with abundant rainfall, we secured a bumper harvest. Guizhou's total agricultural output value is estimated at 16.46 billion yuan (calculated according to unadjusted prices in 1990, the same hereafter), a 10.6 percent increase over 1990; output of major farm and sideline products overfulfilled the plan, of which output of grain, rapeseed, and flue-cured tobacco set records, respectively reaching 8.48 billion kg, 576 million kg, and 385 million kg, with grain output scoring a 22.1 percent increase over the previous year. In forestry, we afforested 3,776,700 mu of land and secured another 3,277,200 mu exclusively for afforestation, and this was a good beginning for the basic greening of Guizhou in 10 years. Animal husbandry grew for the 13th consecutive year, and township and town enterprises and tertiary industry in rural areas developed quite well, the domain of the rural commodity economy broadened itself, and per capita net income among peasants increased 30.39 yuan over the previous year. Comprehensive agricultural development was launched in 17 counties, the work-relief program in turning slopes into terraced fields was launched across the entire province, and solid efforts were made to repair structures damaged by floods. Utilization of poverty-relief funds was more efficient, and another 1 million poor people basically solved the problem of food and clothing. Socialism

ideological education gradually developed in rural areas and scored good results.

- Industrial production steadily grew and key construction projects made progress. Last year, despite intense market competition, the strain caused by “debt chains” and the impact created by floods, enterprises throughout the province adjusted their product mix according to market demand, relied on scientific and technological progress to improve product quality, flexibly utilized marketing policy to expand sales, and maintained overall industrial growth. For the year as a whole, GVIO [gross value of industrial output] reached 26.023 billion yuan, an 8.5 percent increase over the previous year, and income from sales surpassed the growth of total industrial output value, except for cigarettes, refrigerators, and color television sets for which production was restricted and therefore did not meet the quota. Other main industrial products such as wine, raw coal, power, chemical fertilizer, and cars all fulfilled the plan. At the same time, the actual amount of society-wide investment in fixed assets in localities increased, and energy, raw materials, transport, and posts and telecommunications were strengthened, while key construction projects made relatively good progress.

Zunyi Power Plant added its first 125,000-kilowatt generator, which began production ahead of schedule; gold prospecting made a relatively great breakthrough; work at the Wengfu mineral fertilizer base, Guiyang Aluminum Plant’s third-phase electrolysis aluminum project, and the Guiyang Coking Project proceeded smoothly; the Guiyang-Huangguoshu expressway was opened; electrification of three railways in Guizhou section was completed; two major communication cables between Chongqing and Guiyang and between Kunming and Guiyang were opened for use; and planes took off from the provincial airline. All of these have increased the staying power for economic development in the entire province.

- Scientific and technological education was stressed and strengthened and labor quality was improved. The broad masses of cadres and people gradually developed the better understanding that science and technology is the primary productive force. Scientific and technological work was centered on economic construction, adhered to the goal of using “science and education to invigorate Guizhou,” and scored good results in strengthening scientific research, developing and applying the fruits of scientific research, and promoting technological progress; it played an important role in promoting the steady development of industrial and agricultural production. Various kinds of education at various levels adhered to the socialist direction, strengthened ideological and political work in schools, diligently improved conditions for running education, upgraded educational quality, enabled the educational undertaking in the whole province to continue developing, and strengthened basic education and vocational and technical training, making

new contributions to training qualified construction personnel, and improving the quality of workers.

- The market gradually improved and there was an active circulation of goods. In order to promote and adapt to the development of a commodity economy founded on straightening out the circulation order, we strengthened reform of the circulation system and development of the circulation sphere and attached importance to invigorating the wholesale and retail of commodities. We lifted restrictions on certain commodity operations gradually and in a planned manner and grasped the moment to announce measures to adjust grain and oil prices. The construction of the circulation sphere in the whole province marched a step forward toward lifting restrictions for orderly invigoration; market prices were stable; supplies of goods were abundant and internal and external trade continued to develop. The total volume of retail sales was 10.5 billion yuan, up 9.4 percent from the previous year; the general level of retail prices increased by 3.3 percent over the previous year and was controlled within 6 percent as prescribed by the planned goal. The export volume was \$187 million, a 22.1 percent increase; tourism developed rapidly and the number of overseas tourists received throughout the year increased by 55.4 percent over the previous year, and the foreign exchange earned from tourism increased by 99.9 percent.

- Finance, revenue, and monetary departments supported production; financial income, savings, and lending increased. Finance, revenue, and monetary departments adhered to the industrial policy, worked to improve the returns on capital employed, vigorously supported the production of commodities in urban and rural areas, and helped key enterprises overcome difficulties. Financial income for the whole year increased according to plan. The actual amount of financial income from localities was 4.28 billion yuan, a 21.1 percent increase over the previous year and financial expenditure in localities was 5.335 billion yuan, an 11.4 percent increase. Bank savings increased, the scale of loans expanded, and yearend bank balances topped 17.354 billion yuan, which was 3.902 billion yuan more than the figure in the early period of the year; the loan balance was 22.296 billion yuan, an increase of 4.831 billion yuan.

- Family planning measures were properly implemented and the tendency toward excessively rapid population growth was brought under control. Various levels seriously implemented the central authorities’ “Decision on Strengthening Family Planning Work and Strictly Controlling Population Growth” as well as “Guizhou’s Family Planning Regulations.” Hard efforts were made to grasp basic work and the weak links and to help localities which started late in family planning work and had greater difficulties to improve. Marked achievements were made in controlling the size of the population and improving the quality of the

population, and the natural growth rate was 14.31 per 1,000, a slower increase in population.

—Various social undertakings continued to develop and the situation of stability and unity was further consolidated. At the same time that we developed the economy, we also paid attention to strengthening the development of spiritual civilization, brought prosperity to socialist cultural and arts undertakings, successfully ran the "Southwest China Arts Festival," and organized shows in support of disaster relief, as well as art exchange activities; some outstanding literary works won prizes inside and outside the country and spiritual civilization activities for the masses developed prosperously. Sports, health services, news, publication, files, social insurance and welfare also developed well. A great deal of work in the comprehensive management of social order was done and special campaigns scored certain results, enhancing social stability.

Reflecting on the past year, we feel deeply that the results scored by various work were hard-won and inseparable from the support and care of the CPC Central Committee and the State Council and from the hard struggle of the people of various nationalities in the whole province. General Secretary Jiang Zemin and Premier Li Peng came to inspect Guizhou last year respectively and gave important instructions to our work, greatly encouraging the people of various nationalities in the whole province and forcefully promoting various tasks. During the period of floods, Vice Premier Tian Jiyun came to our province to inspect the disaster situation and brought with him the concern of the CPC Central Committee and the State Council. Faced with the flood disaster, people of various nationalities courageously stood up to fight the disaster and carry out relief work, while the party committees and governments at various levels and the relevant departments speedily organized and mobilized manpower, materials, and finance in various quarters to support the disaster areas, they dealt with urgency and emergency, worked day and night, and showed a high degree of sense of responsibility and great organizing ability. The People's Liberation Army [PLA], Armed Police, and public security police showed our army's outstanding tradition and revolutionary heroic spirit, and have tied their destiny with the cadres and people in the disaster areas and lived up to their reputation as the loyal defenders of the interests of the country and people. Brother provinces, cities, and autonomous regions; Hong Kong, Macao, and Taiwan compatriots; and Overseas Chinese and foreign friends donated funds to help us, which reduced our difficulties. The vivid fact of the struggle against floods and for relief work, enabled the masses to feel truly that the CPC is good, socialism is good, and the PLA is good. The victory in the struggle against floods and in relief work not only eased the minds of the people in the disaster areas and the economy in the whole province, but also brought about closer ties between the party and people, and between cadres and people, and enhanced unity among the people

of various nationalities. Here, on behalf of the provincial people's government, I express my highest consideration and heartfelt gratitude to workers, peasants, and intellectuals in the whole province who made outstanding contributions to relief work and who worked hard and dutifully to invigorate Guizhou and create affluence; to the cadres of various levels and the people of various nationalities; to the PLA garrison in Guizhou, the Armed Police, the public security police, and militia-men; to persons from the various democratic parties and social groups and the patriots without party affiliation; to brother provinces, cities, and autonomous regions; and to Hong Kong and Macao and Taiwan compatriots, Overseas Chinese, and foreign friends!

When we sum up our actual achievements, we must soberly look at the shortcomings in our work and difficulties and problems in current economic work. First, adjustment of the industrial structure and product mix is slow, enterprises' internal mechanisms are not vigorous enough, and some enterprises have poor economic returns and have been losing money for a long time. Second, we have little high-yield and stable-yield farmland, the agricultural foundation is still weak, our ability to resist disasters is poor, and comprehensive productive forces are waiting to be improved. Third, localities do not have adequate money and this is hindering their construction and development. Fourth, some problems in economic operational mechanism have yet to be solved. And fifth, although the rate of accidents has decreased, several extraordinary and serious accidents have caused huge loss of life and property. It was a profound lesson. We must take effective measures to continue to tackle seriously the problems mentioned above.

Fellow deputies:

The past year was a year in which we basically accomplished the main duties of rectification and improvement. Since the CPC Central Committee proposed the principle of rectification and improvement and deepening reform, we have considered Guizhou's actual situation, and proposed various measures to deepen reform and maintain stable economic growth amid rectification and improvement. By making efforts for more than three years, we have basically achieved the main goals of rectification and improvement, and this has created a more favorable environment for reform and construction as well as enabling us to acquire certain important hints for doing our work well in the future:

First, the rectification and improvement was, in fact, a big economic adjustment. When the state wants to adjust the economy, it must employ some broad administrative means, however, in the course of developing a planned commodity economy, market functions become more prominent and economic development has to follow objective economic laws, especially the law of value, and this requires us to explore actively an effective way to integrate the planned economy with market regulation and to give more play to market regulation under the

guidance of macroeconomic planning. Second, since rectification and improvement, we have attached more importance to agriculture, diligently searched for a general rule for comprehensively solving agricultural problems, and set an overall strategy for overall planning, comprehensive management, and the coordination of "population, grain, and ecology." In the future, we must resolutely put agriculture in the first position at all times and adhere to our province's way of developing agriculture so as to lay a firm foundation for economic and social development. Third, in the financially tight environment of rectification and improvement, we adjusted the industrial structure, strengthened basic industries and basic facilities, and developed the textile industry and other light industries with famous wines and cigarettes as the mainstays, and we actively cultivated new pillar industries such as cars and electronics to provide financial support to economic and social development. In the future, we should expedite self-accumulation according to the needs of the development of a commodity economy and should select key targets for concentrating inputs and striving to develop the strong points of industry. Fourth, during rectification and improvement, the changes in the economic environment, especially the changes in the market environment, make us realize more fully the important impact of circulation on production. If the market is underdeveloped and the circulation of commodities is not smooth, it will hardly help the requirements of developing the commodity economy. In the future, we must grasp this crucial link and make great efforts to invigorate circulation so as to enable it to suit production and allow the two to promote each other. Fifth, the longtime shortage of funds for economic development in our province has become more obvious amid rectification and improvement. Apart from actively borrowing loans, we tried to broaden channels for raising funds using reform as the method, and in particular, we acquired some experience in establishing a mechanism for receiving investment gains. The next step we should take is to follow the rules of developing the commodity economy and try more to gather and accumulate funds by looking at reform, opening up, and financial invigoration. Sixth, during rectification and improvement, through adopting measures such as the one for appropriately reducing the scale of capital construction, we eased the conflict between total supply and total demand, but the problem of decreasing returns among some enterprises became quite acute. To improve economic quality at the basic level, the crux is to enable economic construction to really change to the track of using science and technology and upgrading the quality of workers, earnestly applying the fruits of scientific and technological research, integrating science and technology with the economy more quickly, and following the road of science, technology, small inputs, high output, and efficiency for development.

## **II. We Expedited the Pace of Economic Reform, and Vigorously Developed the Commodity Economy**

With the basic fulfillment of the duties of rectification and improvement, the economic environment

improved, the political situation stabilized and unified, and cadres and people became interested in reform and development. In particular, we had a bumper harvest and adjusted the structure, the market has gradually improved, while prices are basically stable, and all these things have created conditions for expediting reform and opening up and developing the commodity economy. The Seventh and Eighth Plenary Sessions of the 13th CPC Central Committee and the Central Work Conference, which further pointed out the direction for economic development, stressed that through deepening reform, we must adjust the structure, improve efficiency, and develop the commodity economy in rural and urban areas. Under such a broad environment, we must follow the party's basic line, firmly grasp economic construction as the center, tightly adhere to the matter of vigorously developing the planned commodity economy, further emancipate the mind, and carry out reform and opening up more boldly to enable our province's economy to develop more rapidly.

Leading cadres at various levels must be the first to emancipate their minds. At present, it is particularly necessary for the understanding of the relationship between planning and the market, look at the new situation, explore new ideas, and be more open-minded, bolder, do more effective measures and solid work, and to be faster in developing market functions, and reform and opening up. Therefore, it is necessary to enhance a sense of reform and opening up, of the commodity economy, of science and technology, of competition, of efficiency, and of service. To emancipate our minds, we must seek truth from facts, proceed from reality in everything we do, work innovatively by integrating the spirit of the central authorities' decisions with local conditions, and boldly carry out reform and opening up and actively develop the commodity economy. In the final analysis, the key foothold is in the central task of concentrating strength to develop social productive forces and the economy. To emancipate minds, the crux is to take practical action and to push forward reform and opening up solidly. We must thoroughly engage in various tasks this year with the idea that reform is for promoting development, advancement, and invigoration, do well work in various trades and businesses with the spirit of reform, solve various difficulties in economic development with the methods of reform, and smoothly accomplish various economic tasks using reform as the motive force.

According to this overall demand and to the arrangements in the Outline of the 10-Year Program and the Eighth Five-Year Plan for National Economic and Social Development, we must, when doing government work in 1992, continue to implement resolutely and thoroughly the party's basic line of "one center, two basic points," and its policies and principles. We must be guided by the spirit of the Central Work Conference, the Eighth Plenary Session of the 13th CPC Central Committee, and the Central Nationality Work Meeting, as well as by the important speech made by General Secretary Jiang

Zemin when he inspected Guizhou. We must focus on the vigorous development of the planned commodity economy, plan overall reform, grasp the time to increase the weight of reform and opening up, expedite economic development, stress adjustment of structures and the improvement of returns when doing economic work, expedite scientific and technological progress, resolutely put agriculture—especially the stable development of grain production—to the first position, and make special effort to develop the textile industry and other light industries with famous wines and cigarettes as the mainstay, as well as mechanical and electronic industries. We must concentrate our efforts to improve state-run large and medium-size enterprises and key enterprises, continue to strengthen the construction of infrastructure and basic industries, earnestly grasp reform and construction of the circulation system, and firmly grasp implementation of various measures for “invigorating Guizhou with science, technology, and education.” We must continue to safeguard and maintain social stability and promote the coordinated development of economy and society. In light of this, the main duties are proposed as follows:

1. We will earnestly put adjustment of structures and improvement of returns in a prominent position in economic development, strive for a marked improvement in returns among enterprises, and a 2 percentage-point increase in return on industrial capital, and a 3.5 percent increase in overall labor productivity. On the assumption of improving returns, the GNP will increase by 5 percent; total agricultural output value by 3.2 percent; total industrial output by 7.1 percent; tertiary industrial output by 7 percent; and local revenue by 5.83 percent.

2. We will take reform and opening up as the motive forces for promoting various tasks and will increase the importance of reform and opening up according to the needs of integrating the planned economy and market regulation. We will seriously sum up the successful experiences in various kinds of experimental zones and will strive for new progress in rural reform, internal reform of enterprises, circulation system reform, housing reform, and in promoting the experiences acquired by the Anshun experimental zone.

3. We will properly combine the economy, science, technology, education, and the development of other social undertakings and will continue to strictly control excessively rapid population growth and keep the natural growth rate below 14 per 1,000.

The above-mentioned economic development indexes are basically identical to the Outline of the 10-Year Program and the Eighth Five-Year Plan for National Economic and Social Development, and there is room to maneuver. In practice, we will insist on unity between speed and returns and will fight for a speed of development that has returns so as to ensure that we can accomplish the plan and surpass it.

### **1. Actively develop the rural commodity economy and diligently create a new situation in agricultural and rural work**

Agriculture is the basis for economic development, social stability, a rich people, and a strong country. Last year, the whole province had a bumper harvest, and grain production scaled new heights, but the basic conditions for agricultural production were still not improved, and there were many new strains and problems in the development of the rural commodity economy, as well as difficulties in attaining a stable and sustained agricultural development. We must further enhance the understanding of the difficulty in developing agriculture in our province as well as the importance of it, and adhere to the overall strategy for overall planning, comprehensive management, and coordinated development of “population, grain, and ecology.” It is necessary to seriously implement various measures proposed by the Eighth Plenary Session of the 13th CPC Central Committee and by the enlarged sixth plenary session of the sixth provincial party committee, and continue to grasp grain production and ensure that this year’s total grain output will reach 8.5 billion kg. We will actively develop various kinds of operations, expedite the development of township and town enterprises and the economy at the county level, diligently broaden channels for peasants to increase their income, organically integrate the development of a commodity economy with a steady solution of the problem of food and clothing for peasants, and eliminate poverty and achieve affluence step by step.

1. We will continue to adjust the rural industrial structure and promote the overall development of the rural economy. 1) We will try various methods to maintain a stable increase in grain production. We will guard against and prevent the tendency of relaxing grain production, always put grain production in the primary position, firmly establish the idea of resisting disasters and seizing bumper harvests, stabilize the area under crops, carry out reform of the farming system, actively develop winter agriculture and dry-land crops, expand production of summer grain and dry-land grain, promote applicable technology to increase output, properly run commodity grain bases, further increase per unit area yields, improve quality, and upgrade commodity rates and the level of self-sufficiency. We must deeply cherish grain and save grain, and further do a good job in planning the use of grain and in saving grain, and earnestly store grain for use in case of famine.

In order to guarantee and support grain production, the state, collectives, and peasants must continue to increase agricultural investment. Peasants are the main body for making investments. We must encourage the broad masses of peasants to invest funds and labor, properly run capital construction for agriculture, and increase labor accumulation. Funds for supporting agriculture at various levels should steadily increase and county-level disposable funds must be mainly spent on agriculture. We must continue to develop industries for agricultural

use and ensure that the sales volume of the means of agricultural production, such as diesel, covers for farmland, and farm machines increase annually, and we must establish a system for storing and regulating pesticides.

We must make real and hard efforts to resolutely and persistently run capital construction in agriculture and adopt preferential measures in terms of funds and materials to improve the comprehensive productive forces in agriculture continuously and ensure a steady increase in grain output every year. Capital construction of farmland must center on improving low and medium-yield fields and organically combining land improvement, hill-harnessing, river-harnessing, and road construction. The effort to turn slopes into terraced fields is an important measure in improving low and medium-yield fields and reducing soil erosion and is a main strategy in improving existing conditions for the peasants in our province and steadily solving the problem of food and clothing for the poor. We must further mobilize the masses, make overall plans, suit measures to local conditions, implement step by step, pay attention to quality, concentrate energy to manage whole stretches of land, and make persistent efforts to ensure we can accomplish our duty of over 500,000 mu of land every year. Water conservancy is the lifeline of the national economy and an important basic industry and we must repair the structures damaged by floods as soon as possible, strengthen construction of backbone water conservancy projects, build small reservoirs while taking local conditions into consideration, and construct small hydroelectric power stations in rural areas and the second batch of electrified counties in the province. We must grasp comprehensive management of districts suffering serious soil erosion and improve our ability to protect irrigation and fight floods and waterlogging, and build high-yielding farmland with stable output. We must deeply cherish and love the farmland, seriously implement the "PRC Land Management Law," strengthen land management in pursuance of the law, and strictly control the use of farmland for nonagricultural purposes.

2. We must actively diversify the economy. We must continue to develop the strong points of various cash crops such as flue-cured tobacco, rapeseed, tea, silk, bamboo, medicine, fruits, and mushroom, and use markets need to guide and organize production. Regarding flue-cured tobacco, we must stabilize the area planted with it, increase per unit area yield, improve quality, and develop quality tobacco production bases. We must continue to grasp the production of rapeseed and its processing and actively organize sales outside the province. In order to guarantee a steady increase in income among peasants this year, various localities should actively organize peasants to develop the courtyard economy and labor exports. We must continue to grasp the "vegetable basket" project, properly develop vegetable bases, guarantee supplies of vegetables to the cities, and organize sales of vegetables outside the province in a planned way.

The active effort to run the greening project is the connection between agricultural ecological construction and economic development, as well as a hopeful way to invigorate the economy in mountainous areas and enable peasants to eliminate poverty and achieve affluence more quickly. We must, in a planned manner, develop barren hills, barren slopes, idle waters, and other resources; we must establish orchards, tea gardens, silk gardens, medicine gardens, plantations, grazing areas, and fish ponds; we must practice comprehensive development and utilization and establish pillar industries with regional characteristics and combine planting, fish breeding, poultry raising, processing, selling, and gradually build a number of commodity production bases that turn out famous, quality, and special products.

Forestry must further reform its management system and strengthen and perfect its policy. We will grow tall trees, shrubs, and grass simultaneously and firmly do a good job in afforestation by the whole people to improve the results of greening. We will plant trees, seal off areas for planting, and manage trees simultaneously, and will reasonably adjust the production structure of forestry and vigorously develop timber production. We will strengthen forestry management and the protection of forests, prevent forest fires, prohibit wanton chopping and excess cutting, control lumber quotas properly, diligently manage and properly use forestry resources currently available, and protect and improve the ecological environment. We will develop sideline forestry products and forestry processing and increase forestry returns.

In animal husbandry, we must continue to steadily develop the production of live pigs, vigorously develop grazing animals such as cows and sheep, and improve the output of commodities. We will actively develop the production and processing of meat, milk, eggs, and fish, and diligently improve the quality and quantity of animal and poultry products.

3. We will vigorously develop township and town enterprises. Expediting the development of township and town enterprises is a breakthrough point in promoting the development of the commodity economy in rural areas and is the sure road to riches for peasants and for fostering modernization in rural areas. Governments at various levels must view development of township and town enterprises as a key point in rural work, further enhance understanding, strengthen leadership, plan rationally, support actively, mobilize the strengths in various quarters of society, establish exploratory township and town enterprises, and strive for great development. Efforts will be made to develop a processing industry that is based on farm production, fish breeding, and poultry raising, and industries that serve farm production, fishing breeding, and poultry raising; we will work to actively encourage the development of township and town enterprises that support state-run large and medium-size enterprises, earn foreign exchange through exports, and are labor-intensive; we will work to broaden the way continuously for developing township and town

enterprises. Existing township and town enterprises must adjust their product mix, transform their technology, properly manage their business, and diligently improve product quality and economic returns. We must earnestly implement a series of policies announced by the central authorities and the province on supporting the development of township and town enterprises and must adopt various measures to support the development of township and town enterprises; state-run large and medium-size enterprises and administrative units below the county level can help and support township and town enterprises by giving guidance on operations, running joint operations, providing technological support, funds support, information services, passing on products, and helping to sell products. Localities with better conditions can establish funds for development of township and town enterprises and, in a planned manner, gradually improve the basic conditions and facilities for developing township and town enterprises.

4. We will strengthen scientific and technological education in rural areas and rely on scientific and technological education to invigorate agriculture and the rural economy. Responding to the need to rely on scientific and technological education to invigorate agriculture, we will properly plan our work in agriculture, science and education, and expedite rural educational reform; at the same time, as we focus on basic education and vigorously develop vocational education in rural areas, we will step up technical training for peasants and diligently improve their awareness of science and technology and educational standards. We will continue to vigorously spread usable farm technologies; earnestly strengthen the promotion of technology and service work; establish and perfect a technology-publicizing network involving counties, townships (towns), villages, and households; and stabilize the current contingent of cadres specializing in farm technology, encourage these cadres to go to the countryside, and strengthen the scientific and technological strength on the primary front of agricultural production. We will make serious efforts to select and appoint deputy county heads responsible for science and technology and every township with better conditions should appoint a vice governor responsible for science and technology. We must give professional training to graduates from rural secondary schools, demobilized servicemen, peasant technicians, and rural households for scientific and technological demonstrations to enable them to become the backbone scientific and technological force in rural areas. We will strengthen experiment and demonstration work, continue to adopt various measures and styles, such as contracting for technological projects and compensated services, to promote further implementation of the "Spark" "Prairie Fire," and "Bumper Harvest" projects. To those who have made important contributions to using science and technology to invigorate agriculture and who have scored marked results, we will give handsome awards.

5. We will actively develop a collectivized service systems in rural areas and promote the development of the commodity economy in rural areas. The level of collectivized

services in rural areas has a bearing on the degree of development of the commodity economy in rural areas. On the premise of stabilizing and perfecting the basic rural policy emphasizing the contract responsibility system on a household basis with remuneration linked to output, we must actively develop collectivized services systems in rural areas and perfect the two-tier management system which integrates collective and family operations. We will provide quality and unified specialized services or a series of services to peasant households adapted to different kinds of work and trades, and targeting tasks that cannot be done well by a single household or family before, during, and after production. When developing a collectivized services systems in rural areas, we will emphasize townships (towns); closely consider the reform in which towns are established and districts are merged to form townships; perfect and strengthen township (town) agricultural management, agricultural economy and technology service stations, and supply and marketing cooperatives in rural areas; and improve self-service among village-level organizations and actively support peasant households in individually or jointly running various kinds of service organizations whose healthy development we will promote. Through increasing the types and range of services, township and village collective economic organizations must improve their service quality and carry out exploratory production to gradually increase economic strength and self-development abilities and service capacity.

6. We will deepen reform of the circulation system for farm products and diligently invigorate circulation of farm products. Expediting price reform for farm products and reforming the circulation system is a crucial link in further developing the commodity economy in rural areas and an important measure to ensure a steady increase in farm production. We will further perfect the policy of purchasing and selling agricultural and sideline products and expand the domain of market regulation. Responding to the unified arrangement and demands by the central authorities, we will carry out reform of grain prices and gradually achieve the same price for purchases and sales. We will encourage and guide peasants to enter the circulation domain and protect their legitimate business rights. Collective firms and individual industrial and commercial operators can operate in farm products for which restrictions on operations have been lifted; they can ship them to a distant place or engage in wholesale businesses. Operations in products such as grain and oil, which have a bearing on the country's planning and the people's well-being, must secure approval.

Various levels must establish a storage and regulatory system for important farm products such as grain and, in a planned manner, develop various kinds of wholesale markets for farm and sideline products. They must increase investment in building circulation facilities and mobilize strength in various quarters to build warehouses, as well as transport, sale, and processing facilities.

7. We will further do work in helping poor and developing areas well. We will continue to use preferential policies to

help poverty-stricken areas to develop their economies, and we will suitably increase investment, consider construction projects in these areas first, help them use and manage their funds properly, and gradually enhance their abilities to develop their economy. Work to help the poor will emphasize areas inhabited by minority nationalities and remote, mountainous, and high-altitude areas, and we will diligently expand areas covered by the program to provide food and clothing, seriously allocate funds and materials promised by work-relief programs and grain-relief programs, and concentrate our efforts to solve the problem of food and clothing as soon as possible. At the same time, we must vigorously use development and science and technology to help the poor; establish pillar industries that are important to the people and economies in localities; steadily increase income among poor households; and increase internal vitality in poverty-stricken areas and their ability to develop and achieve affluence themselves.

Regarding nationality work, the provincial party committee and government have decided, on the basis of in-depth investigation and research, that they will propose policy and measures on strengthening nationality work and nationality unity in our province and that in June this year, a provincial meeting on nationality work will be held to fulfill earnestly various duties proposed by the Central Nationality Work Meeting and the 11 measures proposed by the State Council to promote economic and social development in areas inhabited by minority nationalities.

8. We will expedite development of county-level economies and diligently attain the goal of creating rich people in rich counties. We will follow arrangements made by the provincial meeting of heads of counties (cities), further emancipate minds, continually enhance understanding of the situation and the ability of counties, proceed from reality when planning for development, persistently grasp organization and implementation, and diligently explore different ways with distinct characteristics to development. When developing county-level economies, we should stress self-reliance and, at the same time, the provinces and prefectures (autonomous prefectures and cities) should give any support they can and give more decisionmaking and planning power to counties for them to plan overall economic development. We will continue to give them preference in terms of finance, credit, and funds, and will use a fixed amount of subsidies ahead of schedule to actively help county financial departments to increase financial resources to enhance counties' ability to start developing the commodity economy.

**2. We will readjust the structure, improve returns, change mechanisms, and strive to improve large and medium-sized state-run enterprises and key enterprises.**

The objectives and main targets for economic work this year and for a period of time to come are readjusting the structure, improving returns, changing enterprises' operational mechanisms, promoting the technological

progress of enterprises, improving large and medium-sized state-run enterprises and key enterprises, and striving to for more rapid growth in industrial production on the basis on improving returns.

1. We must deepen internal reform of enterprises and change their operational mechanisms. For the improvement of large and medium state-run enterprises and key enterprises, it is necessary to emphasize changing their operational mechanisms; conscientiously implement the "PRC Law Governing Industrial Enterprise Owned by the Whole People"; standardize the behavior of government and enterprises in keeping with the principles of separating the functions of government from those of enterprises and of an appropriate separation of the rights of ownership and operational rights; ensure that enterprises have self-operating rights and operational responsibilities; and gradually steer enterprises toward the market so that they can really be commodity producers and independent operators that assume sole responsibility for their profits and losses, and regulate and develop themselves. It is necessary to implement conscientiously the various policies and measures formulated by the state and the province for the further invigoration of enterprises, help them solve problems and remove difficulties by all possible means, and create a good external environment for fair competition. It is necessary to regard reform of the labor, personnel, and distribution systems of enterprises and the institution of a social insurance system as an important part of changing their operational mechanism; gradually put into practice labor contract systems for all personnel, the cadre appointment system, and on-the-job skill and wage systems; create a mechanism in which staff, workers, and cadres can be employed and dismissed and in which their salaries can be increased and decreased; and smash their iron rice bowls, ironclad wages, and iron armchairs [lifelong tenure], thus creating a competitive environment in which "posts are competed for and salaries are commensurate with contributions." These are difficult jobs in enterprise reform and it is necessary both to proceed actively with them and take into full consideration the ability of staff and workers to accept them. Ideological and political work must proceed before all others. Insurance systems, such as those for unemployment and old-age, must correspond to reality. It is necessary to bring into full play the role of the party organization as the political nucleus, and persevere with and improve the factory director (manager) responsibility system. Under the guidance of wholeheartedly relying on the working class, we must further improve the enterprises' system of leadership, strengthen their leading groups, enhance their vitality, and improve their quality.

We will improve medium-size and small enterprises while concentrating our efforts on improving large and medium-size state-run enterprises and key enterprises by rendering necessary support and strengthening management. We must adhere to public ownership as the mainstay of the economy, further develop the various

economic elements confidently and boldly, and promote the experience of the Anshun Experimental Zone across the province. We can put into practice the following methods: "First, levy taxes according to law, then set up a fund, then choose the best enterprises and support them, then issue state shares, and then postpone the drawing of dividends or draw the dividends and invest them in shares again." Promote the experience of the Guangan Group of Liquor Companies; actively explore new enterprise organizational modes which take public ownership as the mainstay and in which various economic elements prosper; and gradually increase the number of experimental joint-stock enterprises.

2. We should expedite readjustment of the structure with a view to increasing returns. It is necessary to continue to strengthen and develop superior industries and basic industries, vigorously strive for investment from all quarters and expedite the development of electricity. We should continue to pay attention to the production of raw and processed materials such as coal, electricity, aluminum, phosphorus, and the production of farming products such as chemical fertilizer, agricultural plastic sheeting, agricultural chemicals, farm machinery, and tools. With the emphasis on making the best of the province's advantages in tobacco and alcoholic drink industries and on the basis of upgrading marketability, quality, and product grades, increase their output and vigorously increase the proportion of fine tobaccos and alcoholic drinks. It is necessary to expedite the development of the automobile and electronics industries, bring into existence large-scale auto production within two or three years, and develop these industries into future pillar industries as soon as possible. The electronics industry must fully utilize its current foundation, pay attention to the readjustment of its structure, and expedite the promotion and application of electronic technologies. We must strengthen the development of key basic industrial projects and key infrastructural projects, concentrate our energy on ensuring the continuity of 15 large and medium-size projects and the initiation and development of such projects as the Guizhou section of the Nanning-Kunming Railway and the Guiyang-Zunyi Highway, which is especially for use by automobiles. We will continue to construct people-run county and township highways with public assistance; vigorously and properly do the groundwork for the Longdongbao Airport, the Guiyang-Machangping Highway, the outpatient building of Guizhou Hospital and bring about the early comprehensive development of the Wujiang Valley. We will vigorously develop the construction materials industry, steadily develop the construction industry, strengthen management, pay attention to project quality, and maintain a general balance between the number of construction industry workers and basic construction tasks.

In increasing the economic returns of enterprises, it is necessary to emphasize strengthening readjustment of the product mix. All localities and departments should analyze their own products and subordinate enterprises

individually for rating purposes, draw up plans for product readjustment in light of reality, and set clear objectives and demands for enterprises. Comprehensive economic departments, banking, financial, and taxation departments, and others, should coordinate with one another and render vigorous support by means of loans, taxation, energy, materials, and transportation services to enterprises that produce marketable products, fine and quality new products, high and new-technology products, and to other enterprises which encourage the development of products. For enterprises whose product quality is comparatively good yet whose sales are mediocre, they should mainly establish the sales responsibility system, vigorously open up markets, and relevant departments should create conditions for the sales of these enterprises. For enterprises whose products possess good prospects for development but whose structures are simple, whose stamina is insufficient, and whose burdens are heavy, their leaders should personally participate in and organize investigations and studies, give guidance by means of discussing one matter at a time and using one policy for one factory, and help enterprises to resolve their problems. It is necessary to continue to control the production of unmarketable and overstocked products properly and conscientiously implement the policy for controlling overstocked products.

We should expedite the readjustment of the organizational structures of enterprises, further barriers trades and industries in different regions; vigorously develop the merging and grouping of circulation enterprises including commercial enterprises, supply and marketing cooperatives, foreign trade enterprises, materials supply enterprises, and productive enterprises; and continue to pay attention to the development of auto groups, groups of distilleries that produce fine-quality liquors, and other enterprise groups. For existing enterprise groups, we should optimize their internal organizational structures, improve their functions, utilize the operational advantages of their scale, and continuously enhance their economic strength. We should resolutely and carefully shut down enterprises, suspend their operations, merge them with other enterprises, or switch them to the manufacture of other products. We should encourage superior enterprises to merge with inferior enterprises and promote a smooth readjustment of the organizational structures of enterprises when proper arrangements for enterprise restructuring have been made.

3. We should consolidate technological transformation and promote the technological progress of enterprises. Economic management departments and supervisory departments of various industries and government trades at all levels and various enterprises should attach great importance to the promotion of technological progress, strengthen leadership, and make concerted efforts to conscientiously introduce technologies and to develop and transform. The goal of technology development should be to convert technologies for industrial purposes; commercialize technologies; promote the integration of science, technology, and production; and

expedite the conversion of scientific and technological results into productive forces. Technological transformation should be geared to international and home markets. With the improvement and upgrading of product quality, the saving of energy and reduction of waste, the improvement of techniques, means, and equipment levels, and the enhancing of foreign exchange earning abilities through exports as the goals, we should stress the transformation and development of marketable products, fine-quality products, high and new-technology products, and products that bring high returns; and enable form an economic quantity and occupy home and overseas markets. Technological transformation must begin at high points and with high quality. In work for the promotion of the technological progress of enterprises, it is necessary to emphasize key points, strengthen the planning of various industries, and develop competitive products in a planned and coordinated way.

4. We should attach great importance to product quality and service quality, and emphasize improvement of quality to institute and improve the quality management system and expand the quality responsibility system. Externally, it is necessary to improve the work-result linkage system. Internally, it is necessary to carry out decisions on quality and link work quality with the salaries of staff and workers. It is necessary to strengthen the fundamental work of enterprises, pay attention to the management of special trades and industries, and promote management modernization. We should pay special attention to systems for the management of standards, payroll, and quality, and establish and improve quality control methods and systems. We must further strengthen state quality control and expand supervision and examination. It is necessary to attach importance to the task of cracking down on the manufacture and sale of fake and shoddy commodities. Whenever fake and shoddy commodities are found, the persons involved must be apprehended and sternly punished according to the law.

5. We must improve the organization and management of industrial production and transportation development and their coordinated services. We should help enterprises resolve their difficulties with respect to supply of coal, electricity, oil, and funds; properly coordinate various links including production, supply, marketing, and transportation; strengthen analysis, monitoring, and control of enterprises' production, operations, and changes in their economic returns; and ensure the increased output and enlarged sales of key products, competitive products, products that earn foreign exchange, and major tax-added products. We should continue to pay attention to the bidding system and to the target responsibility system that curbs losses and increases profits. We must adopt effective measures for different enterprises, strictly curb losses, and work to gradually reduce losses and increase profits. We must continue to pay attention to breaking "debt chains." We must conscientiously strengthen security work, strictly investigate accidents relating to major responsibilities, and avoid the occurrence of similar accidents.

### **3. Expedite reform and development of the circulation area and vigorously improve and regularize circulation.**

Commodity circulation is an important link in reproduction in society. It is necessary to expedite market development, vigorously improve and regularize circulation, bring into full play the guiding and regulating role of market mechanisms in production, and gradually institute the commodity circulation system for open, regular, and highly-efficient commodities which can be regulated and controlled.

1. We should readjust and improve the planning and management of commodity and materials circulation. For important consumer goods and important industrial means of production, it is necessary to continue to manage properly those managed under central mandatory plans and to gradually lift restrictions on goods managed by the province in accordance with the actual situation, so that guidance plans can give way to market regulation. The relevant authorities should sign production and sales contracts with production enterprises and peasants on commodities managed under mandatory plans, gradually basing themselves on and applying the law of value and responding to the demands of the market. It is necessary to pay close attention to improving the methods for implementing guidance plans and bring into full play their guiding role in circulation. It is necessary to pay attention to strengthening macroscopic guidance, and use economic means to regulate, and overcome blind production of market-regulated commodities.

2. We should actively and steadily proceed with price reform and ensure the smooth circulation of commodities. In keeping with the state's unified arrangements, it is necessary to expedite price reform; integrate price readjustments and the removal of price restrictions; straighten out some prominent, irrational price parities; promote reasonable prices to form mechanisms; and establish price management systems. Commodity price control departments should gradually readjust lists of commodities that are under price management. Commodities whose prices restrictions have been lifted should continue to have restrictions lifted. Those whose price restrictions should be lifted should gradually have their prices lifted under good guidance. Those commodities whose prices restrictions should not be lifted should be managed properly. For those commodities with market-regulated prices, the right to fix prices must be left to the production and operating units concerned. We must strengthen management of rural commodity prices, continue to screen and rectify deeds concerning the arbitrary collection of fees; strengthen the role of market prices in supervision and management; ensure that prices are clearly assigned to commodities; forbid the arbitrary raising of prices; and strive to keep commodity indexes under the state's desired scope.

3. We must further change the operational mechanisms of state-run and cooperative enterprises dealing in commodity circulation and bring into full play the role of the

"main channel." We should vigorously and steadily carry out reform experiments on the operational scope, price management, distribution systems, and labor use of state-run and cooperative enterprises in adherence to the principles that "the state delegates power while enterprises exercise strict management," and "power delegation should be appropriate, and flexibility goes with good order." When we gain experience, we should further promote them so that various trades and industries dealing in materials, foreign trade, grain, tobacco, and so forth can choose the operational modes that suit them and further open and invigorate them. It is necessary to enlarge the operational scope and range of services of enterprises dealing in commodity circulation, enable them to implement comprehensive operations, vigorously develop large enterprise groups, effectively enhance the degree of organization of circulation, and establish and improve a new commodity circulation network. On the premise of insisting on the main channel, namely state-run and cooperative enterprises, we should bring into full play the positive roles of city and countryside individuals and of the private economy in regularizing circulation, and pay attention to strengthening guidance and management.

4. We should strengthen various market developments. It is necessary to run and develop conscientiously urban and rural fairs and markets, and gradually change the current phenomenon where people use roads and streets as fairs or trading sites. We should vigorously develop new fairs and markets and gradually bring into existence in every township (town) several primary markets of some scale that serve to collect and distribute local commodities. We must expedite the development of wholesale markets and gradually set up and improve a commodity market network that takes wholesale markets as the center. Every county and city should establish wholesale markets for agricultural and sideline products, small commodities, and industrial goods. We should pay close attention to the establishment of large wholesale markets for alcoholic beverages in Guiyang and Zunyi and expedite the circulation of fine-quality liquor. Various wholesale markets should gradually develop futures transactions to improve spot transactions. It is necessary to choose several cities and establish special materials exchanges in keeping with the province's industrial distribution and production flow. All prefectures (autonomous prefectures, cities) should generally establish comprehensive exchange markets for the means of production, while counties can establish comprehensive materials markets. We should expedite the establishment of various markets including a capital market, stock market, labor services market, technology market, and information market to meet the needs of developing the commodity economy.

5. We should expedite the development of tertiary industry. Governments at all levels must attach importance to tertiary industry and consider its development an immediate task. They should emphasize key developments, properly plan and coordinate them, and mobilize

forces from all quarters in society for the development of tertiary industry. We should encourage and guide the diversified economy, especially the collective and individual economy, and invest in the development of tertiary industry in places where factories, mines, and enterprises are concentrated so as to gradually relieve pressures on enterprises to support society. While restoring some traditional service items and developing the socialization of housework and labor, it is necessary to expedite the development of some knowledge-intensive tertiary industries, including technology information, and information services, and open up avenues for employment, new avenues of consumption, and provide wide-ranging social services, and increase economic returns.

We should expedite the reform of city and town housing systems. All localities must strengthen leadership, make careful arrangements, choose appropriate methods to start reform in accordance with the "Method of Implementation" for housing reform currently in practice in the province so that reform of the housing system can be initiated across the province. Leaders at all levels should vigorously participate in reform of the housing system and departments concerned should support reform of the housing system. Guiyang City, Liupanshui City, and cities in various prefectures and autonomous prefectures should initiate this reform within the year. They should make unremitting efforts to enable the housing of residents, staff, and workers to develop in the direction of commercialization.

#### **4. We need to strengthen and improve overall regulation and control and conscientiously improve planning, finance, and banking.**

Strengthening and improving overall regulation and control is an objective requirement for the sustained, steady, and coordinated development of the national economy, and is also an internal requirement for maintaining a balance between total supply and demand, a rational structure, and good order in the socialist commodity economy.

In order to improve overall regulation and control, it is necessary to understand correctly the relationship between planning and the market. We must work hard to strengthen and improve planning, while cultivating and developing the market, and bring into better play the role of market mechanisms. It is necessary to plan for economic development and the improvement of the people's lives according to our capabilities. The scale of investment in fixed assets in particular must correspond to the province's conditions and capabilities. In keeping with scientific predictions about the prospects for development of various industries and about market demand, it is necessary to perfect the industrial policy, improve planning for various industries and arrangements for various localities, and correctly guide and proceed with the readjustment of the economic structure. All localities and all relevant departments should, as soon as possible, draw up plans, put forth feasible concrete opinions for

implementation, and confirm development emphases and directions. They should make the best of regional advantages and the characteristics of various industries on the one hand, and ensure the overall coordinated development of the province's economy on the other. It is necessary to strengthen management of fixed assets investments, declare, examine, and approve investment projects in accordance with procedures prescribed by the state, and gradually establish a new investment structure in which the state and enterprises jointly participate, which invests profits and jointly shares profits and risks. Planning departments at all levels should strengthen forecasts, planning, guidance, and regulation of the economic activities in society, correctly guide the direction of economic operations, adopt effective measures to improve the use of financial funds, and work hard to increase returns on investment and output. We should vigorously support and properly run large and medium-size enterprises and try hard to ensure that the various policies and measures taken by the central authorities and the government will take effect and function to the fullest extent.

We must continue to pay attention to increasing income and cutting expenditure and strictly control various expenditures. It is necessary to impose taxes according to law, strengthen taxation management, and strictly forbid people from exceeding their rights to tax reduction. We must pay attention to clearing up tax arrearages and ensure that adequate tax income is turned in. This year, there are many reasons for reductions in financial expenditure and income. It is therefore necessary to deepen reform and resolutely reduce various subsidies and vigorously cut back on administrative expenditures. It is necessary to gradually reduce subsidies to deficit enterprises. No extra-plan subsidies will be granted to enterprises with operational losses except with special approval. It is necessary to gradually cancel subsidies. When restrictions on the prices of some commodities are lifted, the increased burdens thus resulting in enterprises should be shouldered by the state, collectives, and individuals. We should resolutely implement the central authorities' decision to freeze staff size in state organs and institutions, curb the trend of continuous increases in state institutional payrolls, and keep drastically increasing fees under control. It is necessary to conscientiously save money, insist on thriftiness, and conscientiously launch mass movements aimed at combating extravagance and waste. Budget management and control should be strengthened and financial expenditures must only be made in accordance with approved budgets. We must insist on supervising and checking the budget and strictly plugging up all sorts of loopholes in expenditures. Authorities at all levels must act in within the financial system and try hard to increase sufficiency of finances. We should continue to deepen reform of the financial system, begin experiments that separate profits and taxes, and improve experiments on multiple budgeting, in keeping with the state's requirements. We must conscientiously improve financial work. It is necessary to conscientiously implement the state's financial credit principle; vigorously arrange for savings so as to enlarge the credit scale; give

priority to agricultural development; make great efforts to collect and properly use procurement funds for agricultural and sideline products; and render major support to crop farming, township and town enterprises, the development of agricultural science and technology, the development of water conservancy projects, commodity bases, and the social services system. We must continue to pursue a preferential credit policy for large and medium-sized enterprises and key enterprises; encourage enterprises to change their operational mechanisms; readjust the product mix; expedite technology development; and increase economic returns. Governments at all levels and departments concerned should encourage enterprises and banks to coordinate with each other to conscientiously implement such policies and measures as "limiting overstocking," "linking overstocking with credit extension," and "breaking debt chains"; make great efforts to invigorate capital deposits; and increase returns on capital use. We must appropriately increase the scale of bonds issued by enterprises and leading enterprises so as to collect funds directly from the market. We must vigorously develop the insurance industry, stock transactions, and interbank lending, and invigorate funds accommodation.

**5. We must improve foreign trade, economic cooperation, and foreign aid and expedite and enlarge opening up to the outside world.**

Opening up to the outside is an essential requirement of the commodity economy and is the inevitable means of bringing about the prosperity of Guizhou and the people. It is necessary to foster the concepts of the "two markets" (the domestic and international markets), "two capitals" (domestic and overseas capital), and enlarge the "two openings" (opening to the inside and outside world), and try hard to create and fully utilize all favorable conditions to promote our province's economic development.

Improving foreign trade and increasing exports is the key to opening to the outside world. It is necessary to continue to deepen and enlarge reform of the foreign trade structure, enhance the capability of foreign-trade enterprises to operate independently and to assume sole responsibility for profits and losses; and vigorously support all localities in the development of export products and setting up export commodity bases. We must gradually straighten out the interest relations between foreign-trade departments and production units and encourage the development of operations that integrate trade, industry, agriculture, and export-oriented groups. We must readjust the export commodity structure and increase the export of technology-intensive and value-added commodities such as machinery and electronics, while continuing to increase exports of agricultural and sideline products, local and special products, and traditional handicrafts. We should improve product quality, expand production runs, and strive hard to open up international markets.

It is necessary to utilize fully our province's special advantages, such as its abundant work force and natural scenery, to vigorously develop labor exports, international projects contracting, and international tourist services. We must seize the opportunity afforded by the "1992 Tourist Year" to increase our overseas publicity; pay attention to the reception of guests; attract more Hong Kong, Macao, and Taiwan compatriots, Overseas Chinese, and friends from around the world to visit and tour Guizhou; exert more influence in the outside world; enhance foreigners' understanding of Guizhou and increase non-trade foreign exchange income.

We should strengthen and expand economic and technological cooperation and cultural exchanges with other countries; vigorously import foreign advanced technologies, equipment, talented personnel, and management experience; strive hard to utilize foreign investments and preferential loans granted by international financial institutions and by foreign governments to expedite the exploitation of our province's resources and the development of the commodity economy. For this reason, it is necessary to vigorously create conditions, continuously improve policies concerning the introduction of foreign investments, make great efforts to simplify the examination and approval procedures for foreign investment items, improve work efficiency, and strengthen the development of city reception and service facilities. All cities should attach great importance to the improvement of traffic, communications, water and power supplies, and housing. The provincial capital, various prefectural centers, autonomous prefectures, and cities should take the lead in eliminating filthiness and disorder and should try hard to improve urban public health. They should launch urban public health campaigns, strictly control environmental pollution, institute a sound environmental protection and supervision system, and make great efforts at urban beautification. We must improve the quality of treatment given foreigners, enhance the people's awareness of the need to open up, and make room for a good climate of opening to the outside world. It is necessary to pay special attention to the implementation of relevant preferential policies for foreign-invested enterprises, render necessary support and assistance for their development, choose a number of key projects, conscientiously do preliminary work for them, and strive to set up a number of new foreign-invested enterprises. In keeping with relevant state regulations, we should choose and encourage superior industries or those producing superior products to set up factories overseas so that they will play an intermediary and conducting role in increasing exports and in promoting economic, cultural, and technological exchanges.

We must continue to consolidate and develop multilevel, multiform, multichannel, and multidirectional economic cooperation among the five provinces and regions, which involves seven parties, and other provinces and regions, and strengthen and expand horizontal economic alliances. We must further break down

regional blockades and departmental barriers, and, beginning with the joint development of domestic and foreign trade, especially border trade, we must gradually institute the stratified, organized, and standardized regional market system guided by the state. It is necessary to pay attention to the "windows" role of offices set up by the province in coastal and border regions; to develop border trade; and to strive for new progress in the joint development of border trade markets with neighboring provinces in the near future.

**6. We must actively promote the rejuvenation of Guizhou through the application of scientific and technological advances to provide scientific and technological support and intellectual protection to the development of the commodity economy**

Competition in the commodity economy is, in the final analysis, competition in science and technology as well as in qualified personnel. We must reinforce propaganda in, and intensify consciousness of science, technology, and education; firmly establish the view that science and technology are a primary productive force and the view that the development of educational undertakings is a major program of fundamental importance to economic rejuvenation and social progress; energetically step up and develop scientific, technological, and educational undertakings; increase the technological content of economic construction; and strive to bring about the strategic shift in various fields of endeavor in economic construction onto the right track of relying upon scientific and technological advances.

We should stick to the principle that "economic construction must rely on science and technology, and scientific and technological work must be oriented toward economic construction"; step up applicable scientific research; extensively disseminate scientific and technological achievements characterized by small inputs, high yields, and quick results, centering around the adjustment of the industrial structure and the product mix, as well as around energy conservation, reducing consumption, and enhancing product quality and standards; enthusiastically participate in domestic and international scientific and technological cooperation and exchange activities; introduce and adopt the advanced technology of our country and take care to absorb, assimilate, and innovate; push forward enterprises' technological transformation and equipment renovation; and accelerate adjustment of the product mix and product upgrades.

While upholding scientific and technological work geared to the needs of the main battlefield of economic construction, we should continue to speed up research in basic science, applied science, development and application, and high technology; increase the reserves of science and technology; and strengthen the staying power of scientific and technological development. We should continue to push forward the tackling of scientific and technological programs, the "Spark" and "Torch" programs, and anti-poverty work poverty on the strength of

science and technology; expedite the formation and development of a number of regional backbone industries; and strive to accomplish the popularization of certain items of technology, the training of a number of qualified personnel, the development of certain products, and spur certain localities to get rich first.

We should make further efforts to speed up scientific and technological structural reform, formulate and perfect policies with regard to scientific and technological advances, solidify and develop scientific and technological markets, give enthusiastic support to the development of scientific and technological organs run by local people, incrementally establish a new, energetic, and highly efficient mechanism integrating scientific research with dissemination and application capable of promoting each other, make the utmost effort to settle the problem of scientific research being out of line with production, and bring about the transformation of science and technology toward realistic productive forces.

Scientific and technological development, economic rejuvenation, and social progress cannot be separated from the development of educational undertakings. We must comprehensively implement the party's educational policy with priority given to moral education, strengthening ideological and political work, and sticking to a socialist educational orientation so enabling students to develop morally, intellectually, and physically in a comprehensive way. Centering on the requirement of economic construction, we must deepen educational reform, adjust structures, shift the focus of attention to the lower levels, take the training of a large number of elementary and mid-level personnel and the enhancement of labor quality as the key tasks, work hard to raise educational quality and effectiveness in running schools, and give impetus to the coordination of educational and economic development.

Secondary and primary school education is the foundation of the educational undertaking as a whole and it must be strengthened continuously. It is necessary to earnestly implement measures of administering education according to the law, stabilize and reinforce the contingent of primary school teachers, work hard to improve conditions in running schools, and put into practice the system of nine years compulsory education according to plan. We must pay serious attention to the initial work of loan projects for developing educational undertakings in impoverished areas provided by the World Bank, further strive for external support, combine school education with social and family education, create a favorable social educational environment, and care for and safeguard the healthy growth of students and pupils in secondary and primary schools.

The development of vocational and technical education should be placed in an important position. Each county must proceed from the real necessity of economic development, and concentrate its efforts on running well a comprehensive vocational high school or technical

training center, actively develop vocational and technical education including rural junior vocational middle schools and grammar schools at the junior middle school level, enhance qualifications for jobs and the professional standards of new workers so that they will become useful personnel suited to commodity economic development in cities and rural areas.

In the field of higher education, in-depth reform should be carried out, structures adjusted, and quality raised. It must be oriented to grass-roots units and economic construction. The three-in-one combination of teaching, scientific research, and production must be handled well and efforts must be made to enhance educational quality and administrative efficiency in order to promote more talented personnel and score more achievements.

It is necessary to vigorously develop the educational undertakings of ethnic minorities. Boarding schools should be set up in a planned way in remote minority regions according to financial conditions and attention should be paid to "bilingual" education, as well as to broadcasting, television, the print media using ethnic minority languages. Institutions of higher learning in the province must persist in providing preparatory courses for minority students, increase the numbers of the enrolled, and expand the scope of the entrusted training of minority students in the nationality regions.

We must continue to develop adult, preschool, and special education, and take firm control of work to eradicate illiteracy. We must run well various kinds of normal universities and schools at all levels so as to cultivate qualified teachers for educational undertakings.

We must continue to do a good job in making graduate assignments. Departments, enterprises, and institutions at all levels must take a long-term view, try their best to absorb university students and postgraduates to form a solid reserve of talented personnel, formulate appropriate preferential policies for them, and encourage university graduates and postgraduates to receive training in rural areas, factories, mines, and on the front line of production in order to enhance their abilities.

Along with economic development, governments at all levels must put more funds into education to guarantee a yearly increase in educational expenditure. The practice of running schools with funds raised by society must be encouraged. The system of part-time work and study, and work to generate income in universities and colleges must be further improved in a bid to promote faster and better development of educational undertaking.

We must conscientiously implement the party's policies toward intellectuals, continue to do a better job in work regarding intellectuals, and stabilize the contingent of scientists, technicians, and teachers. We must break with all sorts of ideological concepts that hinder the growth of qualified personnel, develop a general practice in society of respecting knowledge and talented personnel, create a favorable environment and mechanism conducive to

enabling all kinds of gifted persons to dazzle others with their talent, as well as make the best possible use of their abilities. Intellectuals who have made achievements and contributions should be highly commended so as to mobilize their enthusiasm to make even greater contributions to the modernization drive.

### **III. Strengthen the Building of Spiritual Civilization, Lay Stress on Well-Coordinated Economic and Social Development**

**1. We must persistently focus on the development of ideology and ethics, further push forward the development of a spiritual civilization in all fields, and give the development of the commodity economy a strong spiritual thrust.**

The development of spiritual civilization should serve the comprehensive implementation of the party's basic line, tally with the objective demands of the development of a material civilization, and give prominence to a center and a subject, namely, economic development and the commodity economy. In our efforts to carry out ideological education on patriotism, collectivism, and socialism, we should intensify the propaganda of reform and opening up, organize extensive mass discussions on issues concerning the development of the commodity economy, strengthen the faith of the cadres and the masses in taking the road of building socialism with Chinese characteristics, and bring about a consensus and unifying force throughout Guizhou on vigorously promoting the commodity economy. We will actively coordinate our efforts with the reform measures recently worked out respectively by the central and provincial authorities; conduct thorough and painstaking ideological work in light of the various ideological problems that have cropped up during the course of deepening reform; guide our cadres and masses to acquire a correct understanding of the interest relations between the state, collective, and individual; and encourage the masses of the people to conscientiously seek to understand, support, and participate in reform. In the course of promoting the commodity economy, we will, by further perfecting policies and publicizing typical examples, guide the vast numbers of the masses to get rid of outdated concepts and customs and establish new concepts and new ways of thinking on the market, competition, science and technology, information, and efficiency under the condition of the commodity economy. Efforts will be taken to integrate the renewal of concepts with the development of our fine traditions, continuing to advocate energetically the Long March spirit of "strengthening our faith, doing pioneering work through hard struggles, making selfless dedications, and forging ahead in unity;" and advocating all positive ideologies and attitudes that are beneficial to reform and opening, economic development, and social progress. It is necessary to carry out the socialist ideological education campaign in rural areas in a down-to-earth manner and comprehensively fulfill all tasks in this campaign. Activities to change prevailing habits and customs will be carried out in urban and rural areas, especially the latter,

throughout the province, and unremitting measures will be taken to put an end to unhealthy trends in society, such as gambling, superstitious practices, and extravagant weddings and funerals. All professions and trades are required to carry out continuously activities of emulating Lei Feng, Jiao Yulu, the Iron Man [an oil worker Wang Jingxi], and Lai Ning, as well as advanced models in their own trades; we must continue to carry out education on the "five love's" [the motherland, the people, labor, science, and public property], the "four have's" [ideals, morality, knowledge, and discipline], revolutionary traditions, vocational ethics, and social morality; and to continue to carry out and make greater progress in army-civilian joint campaigns as well as various activities to develop spiritual civilization. By inspiring a positive, practical, and pioneering spirit throughout society, we aim to give shape to a strong motive force that can push forward reform, opening up, and the development of the commodity economy.

In our efforts to promote our cultural cause, we will continue to uphold the orientation of "serving the people and socialism" as well as the principle of "letting a hundred flowers blossom and a hundred schools of thoughts contend"; pay simultaneous attention to rectification and prosperity; and unremittingly carry out struggles to eliminate pornographic practices. In addition, we will put the stress of our work on boosting the cultural cause, activating theoretical studies, enriching the spiritual life of the masses, and energetically supporting and earnestly organizing the production of spiritual products. It is imperative to distinguish strictly between academic and political issues and correctly handle the relations between the two; conscientiously act in line with the characteristics and rules of culture and art; and strive to create a democratic and harmonious environment and atmosphere which is beneficial to advancing the cultural cause. The vast numbers of cultural and artistic workers are required to intensify their studies, enhance unity, go deep into real life, and do their best to create good works that have a high level of ideological consciousness and distinguishing artistic features. With the forward push of reform and opening up as well as promoting the commodity economy, we will take bigger strides to reinforce social science studies. We will continue to attach importance to the development of radio, television, press, and publication; persistently uphold the principle of unity, stability, encouragement, and positive propaganda; give a correct opinion to be the guide; do a good job in publishing key books and magazines and correcting and enlarging some newspapers; and enhance our capabilities in broadcasting and television program production, as well as the quality and coverage of these programs. Vigorous efforts will be taken to push forward the development of sports with the orientation being emphasis on teenagers while the fitness of the whole nation is regarded as a basic content. We will further promote competitive sports and make Guizhou's Eighth Provincial Games a success. In addition, we will continue to encourage counties to win the title of advanced sports counties with a view to

improving the physical quality of the masses and enhancing the development of sports in our province.

Efforts will be taken to strengthen capital facilities and the development of spiritual civilization. It is necessary to push forward reform of various cultural management systems in a positive and steady way, conscientiously study economic policies that can help promote culture, and raise funds for the construction of capital cultural facilities through different channels. Efforts will be made to run well township (town) centers of spiritual civilization activities; further build cultural, broadcasting, and popular science stations in rural areas; and continue to run well rural film teams. With the goal of improving telecommunication facilities in rural areas, frequency-modulated rural broadcasting services will be established and improved in the next two years, and satellite television reception and relay stations with a stable power supply will be set up in townships (towns) in three to four years. Continued efforts will be made to improve the basic archives and we will try to do a good job in using and providing services relating to archive resources. It is necessary to properly organize and put carry out construction of spiritual civilization key projects; speed up initial-stage preparations for provincial Nationalities' Culture Palace and the provincial Science and Technology Hall, and strive to commence with construction as soon as possible; we must begin enlargement of the provincial Masses' Culture and Art Center and the renovation project for the provincial library; and complete construction of the Guiyang Xinhua Bookstore, as well as the main building of the provincial publication center this year.

**2. We must further develop socialist democracy, perfect the socialist legal system, and create a sound order and stable social environment for the development of the commodity economy.**

Both the development of the commodity economy and the deepening of economic structural reform require political restructuring in synchrony. At present, we should focus our efforts on implementing existing measures for political restructuring and prepare to further deepen reform. Governments at all levels should conscientiously subject themselves to the leadership of the party, obtain a correct understanding of and implement the responsibility system in which leaders assume full responsibility, and base this responsibility system on scientific and democratic policy decisions. We will accept, on our own initiative, the legal supervision of the provincial People's Congress and its Standing Committee on our work, as well as the democratic supervision of the provincial Chinese People's Political Consultative Conference [CPPCC]; conscientiously handle the suggestions and motions raised by People's Congress deputies and CPPCC members and do good follow-up work. We will strengthen our ties with various democratic parties, nongovernmental bodies, and non-party patriotic personages; succeed in handling religious and overseas Chinese affairs, as well as in work toward

Taiwan; and consolidate and develop the unified patriotic front. We will support mass organizations with their work, including trade unions, the Youth League, the Women's Federation, and the Science and Technology Association; continue to treat seriously the people's letters and phone calls of complaints; and protect in real terms the democratic rights of workers, peasants, intellectuals, and the broad numbers of the masses of the people. Policy-making consultations and scientific demonstrations should also be intensified in a down-to-earth manner. It is necessary to carry out extensive education on the Marxist nationalities outlook and the party's nationalities policies; we must vigorously train and foster minority nationalities cadres and professionals specializing in various fields; and further implement all preferential and supporting policies with the aim of expediting economic and cultural development in areas inhabited by minority nationalities and bring about common prosperity and enhance unity among all nationalities. Efforts will be taken to reinforce the building of the people's armed forces, the people's militia, and reserve forces; strengthen civil air defense; continue to carry out education on national defense; do a good job in supporting the Army and giving preferential treatment to families of revolutionary armymen and martyrs, as well as in giving special care to and making special arrangements for disabled servicemen; and further enhance unity between the Army and the government, and between the Army and the people.

Without a perfect and rational legal system, there will neither be long-term social stability nor normal order in the commodity economy. We will conscientiously implement the "Law of the People's Republic of China on the Autonomy of Areas Inhabited by Minority Nationalities" and the "Circular of the People's Republic of China on a Number of Issues Concerning the Autonomy Law for Areas Inhabited by Minority Nationalities"; and will draw up the "Stipulations of Guizhou Province on Implementation of the Autonomy Law for Areas Inhabited by Minority Nationalities" and the "Regulations of Guizhou Province on the Work of Minority Nationality Townships" in light of Guizhou's real conditions. All departments concerned are required to make concerted coordination and work out their own detailed implementation measures. Further efforts will be taken to strengthen the building of the government's legal organs and its formulation of economic and administrative laws so that we can consolidate the accomplishments of reform through more legal channels and means. Governments at all levels should, as always, support judicial organs in exercising their functions and rights independently, while public security and judicial departments should also vigorously provide reform and construction with effective legal services and security guarantees. Earnest efforts should be made to carry out the second five-year educational campaign to make legal knowledge, universal. Leading cadres at all levels should take the lead in learning, observing, and following the law; familiarize themselves with the laws concerning their own work; and consciously use legal weapons to protect

reform and development, and to safeguard social stability. We will also improve the supervision and inspection system of law enforcement and earnestly coordinate with the People's Congress in inspecting the implementation of existing laws, rules, and regulations.

The comprehensive improvement of public security should be further strengthened. In line with the principle of integrating special campaigns with a reliance on the masses, we will integrate concentrated and ad-hoc struggles with routine work; continue to crack down severely on serious criminal offenders and economic criminals according to the law; emphasize struggles against hooligan groups that have seriously jeopardized public security, against the abduction of women and children, and against serious violence and vicious criminal activities; we must carry out in a thorough way a mass campaign against theft as well as struggles to eliminate the "six social evils" [prostitution and use of prostitutes; producing, selling, and disseminating pornographic materials; abducting and selling women and children; narcotics cultivation, drug abuse, and drug trafficking; organizing gambling; and using feudal and superstitious beliefs to swindle and harm people]; strengthen anti-narcotics efforts; strike severe blows at drug abuse and trafficking; eliminate prostitution and use of prostitutes; and solve major security problems. In accordance with the principle of "planning and management conducted mainly by local authorities in their respective areas, supplemented by the central ministries along industrial lines" and the principle that "whoever is in charge will be held responsible," we will comprehensively implement all measures worked out by the party Central Committee, the National People's Congress, and the provincial party committee on strengthening the comprehensive improvement of social order; earnestly improve security in state-run large and medium-size enterprises, as well as all security and management tasks in rural areas; sum up and spread all practical experiences drawn from the mass campaign to prevent unhealthy social trends and eliminate social evils; do a good job in conducting activities aimed at the comprehensive improvement of public security and bring about a favorable turn in social order. Efforts will be made to reinforce the building of public security and judicial contingents; enhance the quality and case-handling capability of the police force; vigorously propagate the good deeds of advanced individuals; and earnestly put an end to unhealthy trends in trades. In order to guarantee that relevant organs have the funds they need and that campaigns are provided with the necessary materials, the cost of comprehensively improving public security should be included in the budgets at all levels.

**3. Firmly grasp family planning work, promote medical and health work, and gradually set up a social guarantee system which suits the development of the commodity economy.**

It is imperative to place the work of family planning on an equally important position with economic construction. Principal leaders at all levels should pay personal

attention to and assume full responsibility for the implementation of family planning, with the aim of putting into effect item by item the "Decision" and "Circular" of the Party Central Committee and the provincial party committee on strengthening family planning. Unrelenting efforts should be taken to implement and put into effect the existing family planning policies as well as the management methods on birth control of the floating population; strictly practice the target responsibility system on population control; intensify the planning of and control over population growth; and give serious disciplinary punishment to those party members and cadres, especially leading cadres, who rush to have children or overfulfill their birth quota. Efforts will be made to strengthen control over marriage registration, rectify the child-bearing order, impose strict control over people who give birth to more than one child or bear unplanned children; earnestly forbid marriage and child birth at a premature age; and strictly put into practice the system of child birth on a permit-only basis. In light of the unbalanced development of family planning, we will give specific guidance to areas of different types so as to help less advanced areas to enhance their understanding and bring about a balanced development of Guizhou's entire family planning work. In our efforts to "establish new towns, merge townships, and abolish districts," we need to expedite the construction and improvement of family planning networks at the county, township, and village levels and pay attention to the building of township (town) service stations. Efforts will be taken to propagandize and continue to give the masses elementary education on population growth and birth control. Old-age insurance will be extended to one-child families as well as to two-child families that have had sterilization, while life insurance will be extended to grass-roots cadres in charge of birth control. Departments at all levels should include family planning expenses in their budgets and put unplanned child-bearing fines under the management of extrabudgetary funds at all levels in accordance with the principle that "what is taken from unplanned child birth is used in the interests of planned child birth." The construction of capital facilities for family planning should be included in capital construction plans at all levels and capital construction funds should be well planned.

Medical and health care is expected to undergo continued development. Conscientious efforts will be made to implement the spirit of the "Resolution on Strengthening the Development of Rural Medical Organizations and Enhancing the Physical Health of the Masses of the People," which was adopted by the standing committee of the provincial people's congress, and to implement the spirit of the "Circulation on Strengthening Guizhou's Medical Work," which was worked out by the provincial party committee and government; we will further deepen medical reform; emphasize preliminary medical and health care; and do a good job in the provision of medical services, disease prevention, health care, Chinese medicine, and the training of medical staff in rural areas. It is necessary to strengthen the prevention of

contagious and local diseases, impose strict controls over urban and rural medicine markets, make thorough investigations and deal severely with counterfeit and inferior medicines, and protect the health of the masses of the people. Conscientious efforts will be made to uphold the principle of "mobilizing all of society to participate;" experiment with medical structural reform; expand fund-raising channels for medical and health endeavors; increase investment in medicine; and gradually improve capital medical facilities, especially medical care conditions in grass-roots hospitals in rural areas. While "establishing new towns, merging townships, and abolishing districts," provincial authorities have already allocated funds for the construction of township (town) hospitals and all prefectures and counties are required to correspondingly allocate, control, and make good use of their supporting funds. Continued efforts will be made to improve the quality of drinking water and renovate public toilets in rural areas and complete a Japanese-aided construction project to improve the quality of drinking water on schedule. The patriotic health campaign should be carried out in an extensive way.

A social guarantee system should be gradually set up and perfected through reform. In accordance with the principle that expenses will be rationally borne by the state, collective, and the individual, we will establish an old-age insurance system for urban workers and staff members of all types, vigorously build homes for the elderly in rural areas, improve the management methods for disaster-relief funds, earnestly explore ways and methods of putting into effect social insurance for the elderly, practice multi-tier social insurance, and conscientiously do a good job to providing relief as well as giving special care to disabled servicemen and to family members of revolutionary martyrs and servicemen.

#### **IV. We Must Ensure That the Work of Changing the Work Style Is Implemented, and Further Strengthen and Improve the Work of the Government**

In order to better adapt themselves to the new situation of reform and construction and to fulfill the various tasks of economic and social development, governments at all levels are required to make their ties with the masses closer and concentrate their efforts on the implementation of the above tasks. Departments directly under the provincial authorities, in particular, are also required to take the lead in changing work styles, doing everything possible to avoid empty talk, work in a down-to-earth manner, resolutely prevent and overcome formalism, and further strengthen and improve the work of the government.

It is imperative to uphold the concept of attaching primary importance to practice, respecting the initiative of the masses, integrating the spirit of the central authorities with the realistic conditions of various localities, and carry out our work in a creative way. In order to unremittingly implement the party's line, principle, and policies, we should devote our efforts to integration, implementation, and practice. Efforts will be made to

encourage and support the vast numbers of cadres and masses to make bold explorations and experiments in practice, draw new experience and methods from practice, and pool and turn the wisdom of the masses into correct policy decisions by leaders. We should correctly cope with faults and mistakes that crop up in the course of exploration. We will, on the one hand, avoid making those avoidable mistakes; and on the other hand, give a free hand to cadres and masses to carry out bold explorations. Regarding unavoidable mistakes, we should try to locate them promptly, sum up experiences, draw lessons, and continue to forge ahead. Strides will be taken to continue making experiments on various subjects; speed up the pace of exploration; promptly sum up and spread the experience of successful experimental units to improve our work; boldly adopt all forms and methods that are beneficial to the development of the productive forces and the commodity economy; and vigorously eliminate those that are unsuitable to, or even hinder, the development of the productive forces. It is necessary for us to consistently hold ourselves responsible to the people and to the party's leading organs, believe in and depend on the masses of the people, always stand together with the masses, and rely on the wisdom and strength of the masses to bring about constant development in reform, opening up, and the commodity economy.

Efforts will be made to uphold the concept that leadership means service, to further change our work style, and strive to enhance work efficiency. At present, the problem of poor work efficiency is still conspicuous in the leading organs and functional departments of the government. To counter major problems concerning their work style, leading organs and all departments of governments at all levels should study and work out measures, and make improvements in an earnest manner. It is imperative to strengthen the building of institutions directly under the provincial authorities, draw up and perfect various rules and regulations, establish a strict evaluation and appraisal system, and honor rewards and punishments as promised. Efforts will be taken to establish among the masses the guiding ideology of serving the masses at the grass-roots level, reform, and construction; correctly handle the interest relations among departments, localities, and the overall situation; vigorously carry out all work that can help expedite economic development; earnestly fulfill all tasks that have been decided on; take quick action on all things that need action; and keep a tight hold on and achieve practical results in our work. Continued efforts will be taken through various means to arrange for cadres to go down and work in grass-roots units. Governmental leaders at all levels are required to reduce excessive routine activities; frequently go among grass-roots units; try their best to cut down on the number of meetings and documents; put their main energies into investigations, studies, supervision, and inspections; vigorously help grass-roots units solve their practical problems; give these units both general instructions and specific guidance; launch pilot projects, grasp typical cases, and pay

attention to key and difficult cases; solve prominent problems one by one; and implement major policies item by item. With a view to arousing the enthusiasm of all sides, we will rationalize relations between governments at all levels, between various functionary departments of the government, and between the government and enterprises. Continued efforts will be made to succeed in the structural reform of administrative organs, as well as in personnel, wage, and job title evaluation systems; we must impose strict control over organizational structure; and prepare well for comprehensively pushing forward reform of administrative organs.

It is imperative to strengthen unswervingly the development of clean administration, unremittently carry out anticorruption struggles, and further close the flesh-and-blood ties between the government and the masses. The more we want to push forward reform and opening up and develop the commodity economy, the more we need to do a good job in anticorruption struggles. All working staff of state organs, especially leading cadres, are required to set an example of being honest in performing their official duties and being diligent servants of the people; unyieldingly oppose various corrupt phenomena such as abusing power and using public office for private gain, embezzlement, and taking bribes; and launch resolute struggles against such behavior as excessive bureaucracy, abuses of power, and dereliction of duty. We need to act in line with relevant stipulations of the party Central Committee and the State Council on forbidding the expenditure of public funds on dinners and gifts; and resolutely check the unhealthy trends of ostentatiousness, extravagance, and waste. Continued efforts will be made to grasp the several major tasks put forward by the provincial party committee and government on strengthening the building of clean administration; put an end to unhealthy trends of trade and rectify the "three arbitrary's" [arbitrary collection of charges, arbitrary imposition of fines, and arbitrary financial apportioning]; and conscientiously sum up experience, establish models, and encourage healthy trends and check unhealthy ones. In the building of clean administration, we need to have a good grasp of policies; resolutely support and protect those who have the courage to break new paths, who are honest and diligent in performing their official duties, and who observe laws and disciplines; give warm assistance to those who have made mistakes in the exploration of reform and help them draw lessons and encourage them to work boldly; and deal sternly with those who have violated laws and disciplines under the signboard of reform. Attention will be paid to sum up and make use of the experiences gained from the pilot projects of the clean administration building, spread the experience throughout the entire province step by step in a planned way, further set up and perfect the system of clean administration, and ensure a thoroughgoing development in the building of a clean government.

Repeated emphasis will be made on efforts to reinforce the grass-roots level, grasp well the building of political

power organizations at all levels, and provide an organizational guarantee for the fulfillment of various tasks of government work. It is necessary to earnestly strengthen the building of village-level organizations in rural areas; expedite the work of establishing new towns, merge townships, and abolish districts; and do a conscientious job in setting up the organizational structure, functionary allocation, and staff size for township (town) administrative organizations as well as for the socialized services system. Relevant departments at the provincial, prefectural, and county levels are required to adopt vigorously measures to help "newly established, merged, and abolished" townships (towns) to make work arrangements and improve living conditions so that these townships (towns) can carry out their normal work as soon as possible. Further efforts should be made to do a good job in developing leading bodies at all levels; strengthen unity among leading members; and boldly select and promote young and capable cadres who have both ability and political integrity, have carried out the party's lines and policies in a creative way, and have made practical contributions to reform and opening as well as to the development of the commodity economy. It is imperative that we strengthen the training of the contingent of cadres and grasp well theoretical study by cadres at all levels, especially leading cadres. In particular, we should conscientiously study Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics, study and solve new situations and new problems that have cropped up in the course of reform and construction, persistently uphold materialist dialectics, overcome metaphysics, and avoid biases. At the same time, we need to make a conscientious study of the theory, policies, and knowledge concerning the commodity economy, reform, and opening up; enhance our consciousness in reform and opening, as well as in acting according to the law of the commodity economy; and augment our capability of operating and controlling the commodity economy.

#### Fellow deputies:

At present, economic construction and reform have entered a phase of stable development. We should be more vigorous in upholding and carrying out the party's basic line of the "one center, two basic points;" remain firmer and more unshakable in taking the road of building socialism with Chinese characteristics; become more conscious in concentrating our major energies on the attainment of the second-step strategic goals; do a better job in all our work; free ourselves from outdated ideas; seek truth from facts; forge ahead steadily and strike sure blows; carry out unceasing struggles; push forward the development of the commodity economy; fulfill this year's national economic and social development plan in a comprehensive way; advance toward the targets set forth in Guizhou's 10-Year Program and Eighth Five-Year Plan; and greet the triumphant convocation of the party's 14th National Congress with outstanding achievements.

## **Manufacturing Industries Claimed Successful in 1991**

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in Chinese No 94, 1 Jun 92 pp 86-92

[Article by Liu Chien-lin (0491 1696 2651): "Taiwan's Manufacturing Industries Triumphed in 1991"]

[Text] As the first year of the "Six-Year National Construction Plan," 1991 statistics show that Taiwan's manufacturing industries are still first-rate.

Spurred by substantive growth rates for exports and national fixed assets investment of 12.2 percent and 9.5 percent, respectively, Taiwan's economy seems to be already gradually resuming its boom. Our industrial output index, which fell 1.18 percent in 1990, had already risen 7.24 percent by 1991. This brought our annual economic growth rate up to 7.2 percent, ranking it among Asia's four little dragons second only to South Korea's 8.4 percent, but better than Singapore's 6.7 percent and Hong Kong's 4.0 percent.

The clearly steady increase in our export earnings was a particular success due to our increased industrial production. In 1991, our export earnings reached \$76.2 billion, while our annual export growth rate was 13.3 percent, or much higher than its 1.3 percent for 1990. And our foreign trade surplus, which was 10.7 percent lower in 1990 than in 1989, was up 6.4 percent in 1991 to \$13.3 billion, for its biggest increase in the last four years.

The devaluation in the last half of 1991 of the New Taiwan currency in relation to European currencies, such as the mark, the franc, and the British pound, pushed Taiwan's 1991 export value growth rate to European markets up to 14.5 percent, while steadily raising our export surplus to Europe to 52.2 percent.

## **Taiwan's Brightest Prospects Are Southeast Asian Markets**

In addition to the exchange rate factor, all E.C. countries were more prosperous than the United States in 1991. In addition, the Taiwan Government has strengthened in recent years our foreign economic relations and trade policies and manufacturers and business firms' sales tactics for breaking into European markets. This, plus the improvement in our product quality and variety to gradually suit them more to European market consumer tastes, shows that we have achieved clear successes in improving our past overconcentration of exports to U.S. markets.

While U.S. markets are in a sustained slump, the U.S. Government has taken a series of steps to stimulate an economic recovery, such as lowering the discount rate, which has reduced bank interest rates to their lowest point in 15 years. In the last half of 1991, the U.S. public consumer capacity made a slow recovery, which benefited Taiwan's manufacturers and business firms. But

while this brought a 2.63 percent growth to our U.S. export value in 1991, our trade surplus with the United States still fell 10.2 percent.

It is particularly worth noting that the upsurge in our investment in southeast Asia and entrepot trade with Mainland China has provided new opportunities for Taiwan's traditional industries that could not stand the appreciation of the Taiwan currency and rising costs.

After a 46.9 percent increase in 1990 over 1989, Taiwan's trade surplus with Hong Kong experienced another large increase in 1991 over 1990 of 47.5 percent, bringing it to \$10.5 billion, of which 40-50 percent was entrepot trade with China, and much of the rest was entrepot trade with the Southeast Asian region. Some of these entrepot trade raw materials are manufactured into semi-finished products, shipped back to Taiwan, and sold to domestic downstream manufacturers and business firms for remanufacture into finished products for reexport. The trade successes spurred by investment in Southeast Asia or entrepot trade with the PRC by Taiwan manufacturers and business firms in recent years will become clearer as time goes by.

Our Six-Year National Construction Plan, including 775 planned projects with an investment of \$8.2 trillion NT, has also brought many commercial opportunities for domestic manufacturers and business firms. In particular, the transportation and communications projects in which over \$2.77 trillion NT are being invested, have already been a boon in 1991 to many industries, such as cement and building materials, transportation, telecommunications, and information.

## **Our Food and Drink Industry Was the Most Profitable**

Ministry of Economic Affairs statistics on 20 manufacturing industries show that, except for our garment industry where output was down 0.8 percent, output was up in 1991 for all of the other 19, which was a big improvement over the disastrous situation in 1990 when output was down in 13 industries.

Our food industry, which has been called "an industry for all ages," experienced 1991's most impressive growth of 20 percent in its beverage market. Established-brand beverage producers, such as Heisung, Weit'alu, Chinch'e, and Chiuchin, not only experienced firm income growth, but also achieved admirable double-digit net profit margins, confirming the old saw that "the food and drink industry is the most profitable."

Our domestic slaughter industry, whose Japanese export markets were taken away for a time by Denmark due to a case of sulfur contamination in 1989, immediately won back its dominance in the Japanese pork market in 1990. In 1991, due to abundant supplies and price advantages, it increased its exports 44.3 percent, which brought large gains for companies, such as T'aifang, Yuanyi, and T'ianch'i, including Juichou with the most impressive growth of over 90 percent.

Due to sharp competition and excess output, earnings and profits were both poor as in preceding years for cooking oil, feed, flour, and canned agricultural products.

Our textile industry suddenly came to life in 1991 after the end of the Gulf war. The Taiwan currency exchange rate was steady in the first three quarters and, while the Taiwan currency appreciated in the fourth quarter and began to have some impact, our textile industry's biggest producer, the cotton-spinning industry, still achieved a good annual growth of 7 percent and gross profits of 8 percent, which were rare achievements for the last four years.

Companies, such as Hualung, Fumou, and Taluke, that produce mostly nylon taffeta, experienced a rare market boom, achieving not only smooth successes, but also generally double-digit profit margins. Our wool-spinning industry benefitted from sharp drops in prices for sheep's wool raw materials and fashion trends, plus the impact of Korean work demonstrations and strikes, receiving brisk orders, and achieving growth for the industry as a whole of 10.4 percent.

#### **Were Foreign Firms Miraculous Lifesavers for Our Chemicals Industry?**

Our papermaking industry has always been one that depends on exports. It experienced growth of 12.3 percent in 1991 in its paper and cardboard output. But while its prosperity and choices were its primary merits, the large worldwide supply of paper pulp left less than ideal earnings and profits in 1991 for the our paper pulp companies of China Paper and Taiwan Paper.

Work stoppages in our petrochemicals industry left it with basic and intermediate raw materials supply not able to meet demand in 1991. Thus, while downstream demand was brisk, our petrochemicals industry generally achieved only negligible growth. However, large plastics and rubber raw materials manufacturers and business firms, such as Ch'imei Industries and Nanya, expanded their production capability and successfully broke into Mainland Chinese markets, so achieved good income growth and earnings.

Our leather and shoemaking industries experienced a respective growth and decline in 1991. While upgraded manufacturing technology brought large growth to leathersmakers, such as Shangfeng, Yachou, Shangtuo, and P'uta, our leather goods and shoemaking industry suffered many blows from labor shortages, rising wages, and exchange rates, so that only a few manufacturers and business firms that could make high-added-value products and had good marketing techniques were able to continue to exist, while all of the rest moved to Southeast Asia or Mainland China.

In our chemicals industry, except for the few manufacturers and business firms that make adhesive tape for export, most of the rest are industries that produce to meet domestic demand. As to their achievements in

1991, in order for those in our paint and pharmaceuticals industries to acquire domestic market share, they had to engage in technological cooperation or joint ventures with foreign firms to produce high-quality products, so that they could exist and grow in the midst of the sharp competition in the industry. The success of Japanese fireworks manufacturers in Taiwan through well-conceived high-quality production and sales tactics merits the attention of domestic manufacturers and business firms.

#### **Profits Were Made by All In Our Electrical Engineering Industry**

Elevator manufacturers and business firms in our electrical engineering industry, such as Yungta, China Ling-tian, and Ch'ungyu, achieved outstanding results in 1991 due to the resurgence of the construction industry and the Six-Year National Construction Plan. As to electrical appliance manufacturers and business firms, except for those that make air conditioners, all of the rest were able to maintain only negligible profits in the midst of the fierce market competition. As our electric wire and cable industry is a darling of the Six-Year National Construction Plan, all of its members earned profits.

Last year was a slack season for our information industry. While its output value was up 12.3 percent, cut-price competition left even large manufacturers, such as Hungch'i, Shent'ung, Sankuang Weita, Ch'engchou, Hsinpao, and Tungyuan Information, with embarrassing losses. While our monitor output surpassed that of South Korea, making Taiwan the world's largest producer of monitors as well as mouses, hand-held scanners, and mainframes, and our notebook computer output reached 490,000, to rank us third in the world behind only the United States and Japan, we still had a general problem of making only negligible profits.

In our semiconductor industry, manufacturers with sustained investments in technology and personnel and lines of new products made a clean sweep of 1990's slump in 1991, with ones, such as Lienhua Electronics and Huapang Electronics, making impressive profit recoveries.

In telecommunications, Chit'i Telecommunications, Meit'ai Telecommunications, and International Standard Electronics adapted to the telecommunications situation by upgrading their digital exchange networks, achieving good successes in 1991 just as always.

As domestic automated production demand increased steadily, and the Southeast Asian market grew sharply, our machinery industry experienced a full-scale boom in both income and profits in 1991.

Our iron and steel industry was polarized. While the construction rolled steel market boomed, years of increasing supply have steadily reduced profits. And as to rolled-steel products, such as steel plate and angle iron, South Korean and Japanese imports prevented an upsurge.

### **Industrial Upgrading Will Require Effort**

Our automobile industry has made long-range advances in engineering design, manufacturing technology, product quality, and selling price, with output being up 12.9 percent, sales up 11.8 percent, and sales value up an even greater 18.6 percent in 1991. We experienced negative growth only in our joint ventures with European and U.S. manufacturers for Ford 6s, Yut'ian, and Sanfu. But the brisk automobile market helped out the rubber industry.

Our cement industry was the greatest direct beneficiary of the Six-Year National Construction Plan. Except for Chient'ai, Hsinta, and Hsinhsin, which experienced raw materials problems, our other eight cement makers and

the cement importer Liyang all experienced high growth, as well as high net profit margins that left other industries eating their dust.

Summing up the 1991 conditions of our 500 large manufacturing enterprises, most of them boomed mainly due to external factors. In addition to rising or falling along with boom or bust, as well as the many years of calls for putting our emphasis on industrial upgrading in areas, such as technology R&D, management expertise, and marketing skills, which are even more the spirit of Taiwan's small- and medium-sized enterprises in risktaking struggles against problems and painstaking hard work, what we actually have is simply our capital of a forever-striving enterprising spirit of continuous advances.

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